

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD
OCD-HOBBS
FEB 29 2012

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM0245247

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
McElvain Energy, Inc.

3a. Address
1050 - 17th Street, Suite 2500 Denver, Colorado 80265

3b. Phone No. (include area code)
(303) 893-0933 xtn 330

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
McElvain # 5

9. API Well No.
30-025-29051

10. Field and Pool or Exploratory Area
EK Delaware

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 810' FWL (SWSW) Section 25, T18S-R33E N.M.P.M.

11. Country or Parish, State
Lea County, New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Pull RBP Separating
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	1st & 2nd Delaware
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	perfs to commingle

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Energy, Inc. (MEI) temporarily blinded off production from the 2nd Delaware sand (5,668-5,742') on April 19, 2011 and recompleat the well in the 1st Delaware sand (5,377-5,395'). The well was produced from the 1st Delaware (upper perfs) only from May 26, 2011 until January 9, 2012 when operations began to retrieve the isolation plug between both sets of perfs and commingle the well in both the 1st & 2nd Delaware. The operation summary is as follows:

On 1/9/12 a service rig was moved onto location. The rods were pulled and a BOP installed before pulling the tubing. A RBP retrieving head was made up on a hydrostatic bailer and the tubing was tested into the hole before cleaning out 91 feet of sand and releasing the RBP @ 5,640'. On 1/11/12 the well was placed back on pump and is now producing from both the 1st Delaware perfs from 5,377-5,395' and 2nd Delaware perfs from 5,668-5,742'.

PLEASE KEEP ALL INFORMATION CONFIDENTIAL FOR THE MAXIMUM ALLOWABLE PERIOD OF TIME.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
E. Reed Fischer

Title Operations Manager

Signature

Date 02/20/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

FEB 25 2012

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Instructions on page 2)

ACCEPTED FOR RECORD

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

MAR 06 2012