

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address McElvain Oil & Gas Properties, Inc. 1050 17 th Street, Suite 1800 Denver, CO 80265-1801		OGRID Number 22044
Property Code 34986	Property Name Ruby	APL Number 30 - 045 - 33266 Well No. 1
⁹ Proposed Pool 1 Fulcher Kutz Pictured Cliffs		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	29N	13W		1755	South	860	West	San Juan

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5498'
¹⁶ Multiple N	¹⁷ Proposed Depth 1664'	¹⁸ Formation Lewis	¹⁹ Contractor D&D Service	²⁰ Spud Date November 1, 2005
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/>		Pit Volume: _____ bbls		Drilling Method:
Closed-Loop System <input checked="" type="checkbox"/> X		Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8.750"	7.000"	20	200'	50	Surface
6.250"	4.500"	10.5	1664'	145	surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill 8 3/4" hole to 200' using fresh water mud system. Run and cement surface casing in a single stage with cement returns to surface. WOC 12 hours. Nipple up 11" 2000 # BOPE. Pressure test surface casing and BOPE to minimum of 600 psig for 15 minutes. Drill 6 1/4" hole to TD using fresh water mud system. Log well. Run and cement production casing in a single stage with cement returns to surface. Move out drilling rig. Move in completion equipment. Run cased hole correlation logs. Pressure test casing to 3500 psig for 30 minutes. Perforate select Pictured Cliffs intervals and stimulate using a 2% KCl based system. See attached drilling program for specific details.

This well is co-located with the Fundingsland - Sunical No. 10 well adjacent to the city park and ballparks on 30th and Butler in Farmington. Equipment on this existing location will be removed prior to the drilling of this proposed well. There will be no pits or impoundments for storage of drilling or production fluids. All fluids will be retained in steel above ground tanks. Drill cuttings and mud solids will be hauled to a commercial disposal facility upon completion of the drilling operation. Drilling fluid liquid phase and produced water will be hauled to a commercial disposal facility during the life of the well.

The well location will be permitted according to City of Farmington Oil & Gas Regulations upon receipt of the permit from the State.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines a general permit , or an (attached) alternative OCD-approved plan .

OIL CONSERVATION DIVISION

Approved by:	
Title:	DEPUTY OIL & GAS INSPECTOR, DIST. #3
Approval Date:	JUL 28 2005
Expiration Date:	JUL 28 2006
E-mail Address:	pmci@acs-online.net
Date: July 28, 2005	Phone: 505.632.3869
Conditions of Approval Attached <input type="checkbox"/>	

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-332406		*Pool Code 77200	*Pool Name FULCHER KUTZ PICTURED CLIFFS
*Property Code 34986	*Property Name RUBY		*Well Number 1
*OGRID No. 22044	*Operator Name MCELVAIN OIL & GAS PROPERTIES		*Elevation 5498'

¹⁰ Surface Location

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	29N	13W		1755	SOUTH	860	WEST	SAN JUAN

¹¹ Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160.0 Acres - SW/4	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Robert E. Fielder</i> Signature Robert E. Fielder Printed Name Agent Title July 27, 2005 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: JULY 1, 2005</p> <p>Signature and Seal of Professional Surveyor</p> <p>JASON C. EDWARDS Certificate Number 15269</p>

McElvain Oil & Gas Properties, Inc.
Ruby No. 1
1755' FSL & 860' FWL
Section 3, T29N, R13W, NMPM
San Juan County, New Mexico

TEN POINT DRILLING PROGRAM

1. **Surface Formation:** Nacimiento
2. **Surface Elevation:** 5498' GL.
3. **Estimated Formation Tops:**

<u>Formation</u>	<u>Top - feet</u>	<u>Expected Production</u>
Nacimiento	surface	
Ojo Alamo	<100	
Kirtland	754	
Farmington	814	
Fruitland	1054	GAS
Pictured Cliffs	1354	GAS
Lewis	1514	
TOTAL DEPTH	1664	

4. **Surface Hole Program:**

Bit: Drill an 8 $\frac{3}{4}$ " hole to 200' using a retip mill tooth, IADC Class 115 or 116, bit. WOB: all. RPM: 70 - 100.

Mud: Use a fresh water base spud mud with the following properties:

<u>Interval (ft)</u>	<u>Weight (ppg)</u>	<u>Ph</u>	<u>Vis(sec/qt)</u>	<u>Water Loss</u>
0 - 200	8.6 or less	9.0-9.5	40 - 50	No Control

Casing and Cementing: A string of 7" 20 ppf J-55 or K-55 ST&C casing will be set and cemented to the surface in a single stage with 50 sacks (59.0 cf) of Class "B" cement (yield = 1.18 cf/sk) containing 3% CaCl₂ and 1/4 lb/sack celloflake. Slurry volume assumes 100% excess over calculated hole volume. If cement does not circulate to surface, cement will be topped off using 1" pipe down the 8 $\frac{3}{4}$ " by 7" annulus. Minimum clearance between couplings and hole is 0.5470". Prior to drilling out the shoe, casing and BOPE will be tested to a minimum of 600 psig. Safety factors utilized in the design of this casing string were: burst = 1.1; collapse = 1.125; and tension = 1.8.

WOC 12 HOURS. Nipple up 7 1/16" 2000# BOPE. Pressure test surface casing and BOPE to 600 psi for 15 minutes.

Centralizers: Run two (2) 7" X 8 $\frac{3}{4}$ " regular bowspring centralizers. Install first one on stop ring in middle of shoe joint.

Float Equipment: Cement nose guide shoe thread locked. Also thread lock connection between first and second joint run.

Drilling Program
McElvain Oil & Gas Properties, Inc.
Ruby No. 1
Page Two

5. Production Hole Program:

Bit: Drill a 6¼" hole to 1664' using a TCI, IADC Class 447 bit. WOB: 30-35K. RPM: 60 - 75. Reduce RPM to 55 - 65 through Ojo Alamo.

Mud: Use a fresh water base polymer and water system to drill this section. If hole conditions dictate, mud up with a fresh water base LSND mud with the following properties:

<u>Interval (ft)</u>	<u>Weight (ppg)</u>	<u>Ph</u>	<u>Vis(sec/qt)</u>	<u>Water Loss</u>
200 - 1664	8.6 - 8.8	9.0-9.5	28 - 35	10 - 12

Fresh water will be used for dilution and building volume. Sufficient materials will be on location at all times to maintain mud properties and to control any lost circulation problem or unforeseen abnormal pressures. The mud volume in the surface pit will be visually monitored and recorded on a routine basis.

Note: If mud up is required, raise **viscosity** to 55 - 60 for logging. Thin to 40 - 45 viscosity to run casing.

pH is to be maintained with lime or caustic soda at the recommended levels to assure drill pipe corrosion protection.

Drispac will be used for control of fluid loss.

Lost Circulation can occur in the Fruitland Coal and Pictured Cliffs formation. Mud weights should be controlled as low as possible with solids control equipment then as low as practical with water dilution.

Pressure Control: A 2M psi BOP well control system will be utilized. BOP's and choke manifold will be installed and pressure tested to a minimum of 600 psig before drilling out from under surface casing. Mechanical operation of pipe rams will be checked daily and blind rams will be checked on each trip out of hole. 4½" rams will be installed before running production casing. A full opening internal blowout preventor or drill pipe safety valve will be on the drill floor at all times and will be capable of fitting all connections.

Logging Program: Dual Induction and Compensated Neutron/Formation Density logs will be run from TD to the surface casing shoe.

Casing and Cementing Program: Run 4½" 10.5 ppf J-55 production casing from surface to TD and cement in a single stage with 65 sacks (165.75 cf) of Class B containing 3% sodium metasilicate extender, 5 pps Gilsonite and 1/4 pps celloflake. Lead slurry mixed at 11.8 PPG to yield 2.55 cf/sk. Tail in with 80 sacks (95.20 cf) of Class B with 0.25 pps celloflake, 0.3% FLA and 5 pps gilsonite mixed at 15.6 PPG to yield 1.19 cf/sk.

Drilling Program
McElvain Oil & Gas Properties, Inc.
Ruby No. 1
Page Three

5. **Production Hole Program: -continued**

Slurry volumes assume a 50% excess over gauge hole volume to circulate to surface. Minimum clearance between couplings and hole is 0.6250". Safety factors utilized in the design of this casing string were: burst = 1.1; collapse = 1.125; and tension = 1.8.

Centralizers: 5 - 4½" X 6¼" bowspring centralizers will be run across all prospective pays and 2 - 4½" X 6¼" turbolizers will be spaced such that one (1) is just below the base of the Ojo Alamo and one (1) in the Ojo Alamo.

Float Equipment: Cement nose guide shoe, 1 joint 4½" casing, and float collar.

6. **Auxiliary Equipment:**

An upper kelly cock will be utilized. The handle will be available on rig floor at all times

7. **Logging Program:**

Dual Induction and Compensated Neutron / Formation Density will be run from TD to surface casing shoe. Bulk density will be presented on a 5 " scale through the coals. Deep induction curve will be merged onto the porosity log.

Coring and Testing Program:

No cores or drill stem tests are planned.

8. **Abnormal Pressure:**

Although not expected, abnormal pressures are possible in the Fruitland formation.

Estimated Bottom Hole Pressure:

250 - 300 psig.

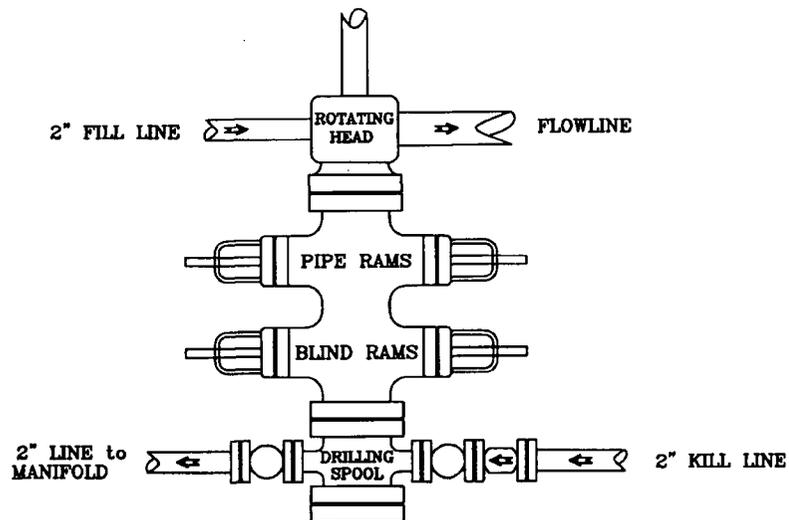
9. **Anticipated Starting Date:**

November 1, 2005

Duration of Operations: It is estimated a total of 6 days will be required for drilling operations and 5 days for the completion operation.

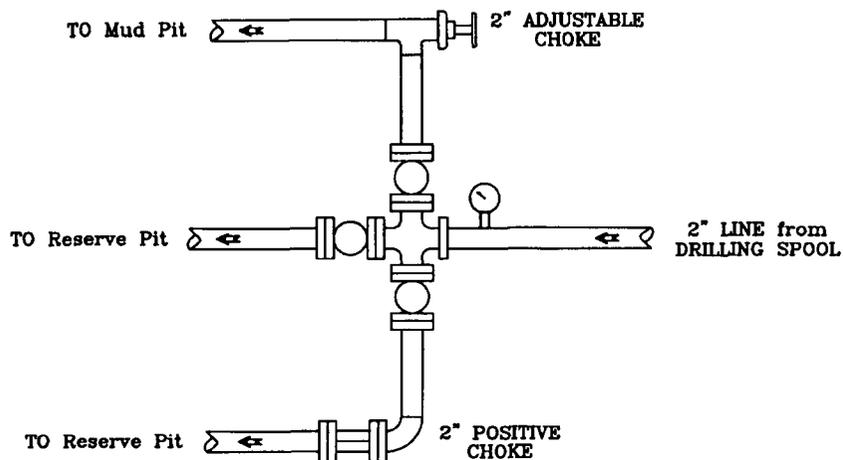
PRESSURE CONTROL

Wellhead Assembly



Preventer and Spools are to have a
6" Bore or larger and a 2000 PSI
or higher Pressure Rating

Choke Manifold



McElwain Oil & Gas Properties, Inc.

Ruby No. 1

1755' FSL - 860' FWL

Section 3, T29N, R13W, NMPM

San Juan County, New Mexico

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG AND ABANDON DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM OGD-1) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-33266
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator McElvain Oil & Gas Properties, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 1050 17 th Street, Suite 1800, Denver, CO 80265		7. Lease Name or Unit Agreement Name Ruby
4. Well Location Unit Letter <u>I</u> : <u>1755</u> feet from the <u>South</u> line and <u>860</u> feet from the <u>West</u> line Section <u>3</u> Township <u>29N</u> Range <u>13W</u> NMPM County <u>San Juan</u>		8. Well Number <u>1</u> 9. OGRID Number <u>22044</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>5498'</u>		10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/> Extension	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McElvain Oil and Gas is requesting an extension of the APD for One (1) year.

This request is due to land issues within the spacing unit.

Extend to July 28, 2007

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Deborah K Powell TITLE Engineering Tech DATE 8/7/2006

Type or print name Deborah K Powell E-mail address: DebbyP@McElvain.com Telephone No. 303-893-0933
For State Use Only

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 58 DATE AUG 10 2006
 Conditions of Approval (if any):

8

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33266
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE X
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Ruby
8. Well Number 1
9. OGRID Number 22044
10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5498' GL
Pit or Below-grade Tank Application X or Closure <input type="checkbox"/>
Pit type Drilling _____ Depth to Groundwater <100 ft distance from nearest fresh water well >1000 ft _____ Distance from nearest surface water 60 ft _____
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well X Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc. *SEP 2006*

3. Address of Operator
1050 17th St., Suite 1800; Denver, CO 80265-1801

4. Well Location
 Unit Letter L : 1755 feet from the South line and 860 feet from the West line
 Section 3 Township 29N Range 13W NMPM San Juan County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS X PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <i>Pit - Hole s.d. + CGG + TD ^{change}</i> <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McElvain Oil & Gas Properties, Inc. ~~proposes to use a 15' W X 80' L X 8' D (1800 bbl) lined reserve pit instead of the originally proposed closed mud system due to the limited space available on the existing location. McElvain will close this pit in accordance with NMOCD guidelines upon completion of the operation.~~

We also propose to change the casing and cementing program to the following:

Surface Hole - 12 1/4", Surface casing- 8 5/8", 24 ppf, J or K55 set at 200 ft. Surface cement - 140 sacks Class "B" (yield-1.18 cf/sk) with 3% CaCl and 0.25 pps celloflake. 100% over calculated hole volume.

Production hole - 7 7/8". Total Depth - 1520 feet. Production casing - 5 1/2" 15.5 ppf, J or K55 set at 1520 ft. Production cement - single stage - 110 sacks Class B (yield 2.55 cf/sk) with 3% sodium metasilicate extender, 5pps gilsonite and 0.25 pps celloflake. Tail in with 100 sacks Class B (yield 1.19 cf/sk) with 5 pps gilsonite, 0.25 pps celloflake and 0.3% fluid loss additive. 50% over calculated hole volume.

** Original approved closed mud system must be used. ^{BP}*

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines X, a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE *Robert E. Fielder* TITLE Agent DATE 09/27/06

Type or print name Robert E. Fielder E-mail address: pmci@advantas.net Telephone No. 505.632.3869

For State Use Only

APPROVED BY: *Henry Villanueva* TITLE DEPUTY OIL & GAS INSPECTOR, DIST. ⁶⁹ DATE SEP 28 2006

** Pit permit is denied, Brandon Powell*

B

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33266
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Ruby
8. Well Number 1
9. OGRID Number 22044
10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address of Operator
1050 17th Street, Suite 1800, Denver, CO 80265

4. Well Location
 Unit Letter I : 1755 feet from the South line and 860 feet from the West line
 Section 3 Township 29N Range 13W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5498'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mll Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Extension <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McElvain Oil and Gas is requesting an extension of the APD for One (1) year.

This request is due to on going land issues within the spacing unit.

RCVD SEP 5 '07

OIL CONS. DIV.

DIST. 3

Expires 7/28/08

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Deborah K Powell TITLE Engineering Tech Supervisor DATE 9/5/2007

Type or print name Deborah K Powell E-mail address: DebbyP@McElvain.com Telephone No. 303-893-0933

For State Use Only

Deputy Oil & Gas Inspector,
 District #3

SEP 05 2007

APPROVED BY: [Signature] TITLE _____ DATE _____

Conditions of Approval (if any):

Submit 3 Copies to Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33266
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Ruby
8. Well Number 1
9. OGRID Number 22044
10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address of Operator
1050 17th Street, Suite 1800, Denver, CO 80265

4. Well Location
 Unit Letter 1 : 1755 feet from the South line and 860 feet from the West line
 Section 3 Township 29N Range 13W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5498'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: nil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McElvain Oil and Gas is changing the depth the surface casing is set from 200' to 500'.
 The cement will also change from 50 sx to 360 sx STD.

RCVD FEB 6 '08
 OIL CONS. DIV.

DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Deborah K Powell TITLE Engineering Tech Supervisor DATE 2/6/2008

Type or print name Deborah K Powell E-mail address: DebbyP@McElvain.com Telephone No. 303-893-0933
For State Use Only

APPROVED BY: H. Villanueva TITLE Deputy Oil & Gas Inspector DATE FEB 06 2008
 Conditions of Approval (if any): District #3

86

Submit 3 Copies to Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33266
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Ruby
8. Well Number 1
9. OGRID Number 22044
10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address of Operator
1050 17th Street, Suite 1800, Denver, CO 80265

4. Well Location
 Unit Letter 1 : 1755 feet from the South line and 860 feet from the West line
 Section 3 Township 29N Range 13W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5498'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls: Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER: Spud <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RCVD FEB 25 '08
 OIL CONS. DIV.

1/26/2008 Begin driving conductor 13 3/8" - 2/1/2008 Conductor @ TD 45'.
 2/5/2008 Rig up for closed loop system.
 2/7/2008 Spud 12 1/4" hole @ 8:30 am. Drilled to 325'.
 2/8/2008 Drilled to 525'. 2/9/2008 Ran 13 Jts new 8 5/8" J-55 24# STC csg - landed @ 514'.
 2/9/2008 Cemented as follows: 365 sx Std 2% CaCl, 15.6 ppg, 1.18 y. Circulated 20 bbls to surface.
 2/10/2008 Test csg 650 psi, 30 min. Test Blind rams, pipe rams, choke manifold, 2000 psi, 10 min high ; 250 psi low 5 min. All held.

DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Deborah K Powell TITLE Eng Tech Supervisor DATE 2/19/2008

Type or print name Deborah K Powell E-mail address: DebbyP@McElvain.com Telephone No. 303-893-0933

For State Use Only
 APPROVED BY: H. Vilhunen TITLE Deputy Oil & Gas Inspector, District #3 DATE FEB 26 2008

Conditions of Approval (if any):

8

Submit 3 Copies to Appropriate District Office
 District I
 1625 N French Dr., Hobbs, NM 88240
 District II
 1301 W Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33266
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Ruby
8. Well Number 1
9. OGRID Number 22044
10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PLRMT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address of Operator
1050 17th Street, Suite 1800, Denver, CO 80265

4. Well Location
 Unit Letter 1 : 1755 feet from the South line and 860 feet from the West line
 Section 3 Township 29N Range 13W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5498'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER <input type="checkbox"/>		OTHER: Run Csg <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2/13/2008 Drilled a 7 7/8" hole to TD - 1710'
 2/15/2008 Ran 41 Jts new 5 1/2" J-55-15.5# STC csg. Landed @ 1689'

RCVD MAR 7 '08
 OIL CONS. DIV.
 DIST. 3

Cemented as follows:
 Lead: 150 sx 65/35 POZ, 12.4 ppg, 1.89 y.
 Tail: 100 sx Type V 2% gel, 15.2 ppg, 1.25 yield.
 Circulated 2 bbls to surface.
 Bumped plug @ 16.33 -held.
 2/17/2007 Rig moved off Loc
 PT Will be reported on next sundry.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Debbie Powell TITLE Eng Tech Supervisor DATE 3/5/2008

Type or print name Deborah K Powell E-mail address: DebbieP@McElvain.com Telephone No. 303-893-0933
For State Use Only

APPROVED BY: H Villanueva TITLE Deputy Oil & Gas Inspector, District #3 DATE MAR 10 2008
 Conditions of Approval (if any):

B

Submit 3 Copies to Appropriate District Office
 District I
 1625 N French Dr, Hobbs, NM 88240
 District II
 1301 W Grand Ave, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd, Aztec, NM 87410
 District IV
 1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-045-33266
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ~
6. State Oil & Gas Lease No. RCVD MAR 17 '08
7. Lease Name or Unit Agreement Name Ruby OIL CONS. DIV. DIST. 3
8. Well Number 1
9. OGRID Number 22044
10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5498'
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address of Operator
1050 17th Street, Suite 1800, Denver, CO 80265

4. Well Location
 Unit Letter I _____ : _____ 1755 feet from the South line and 860 feet from the West line
 Section 3 Township 29N Range 13W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5498'

Pit or Below-grade Tank Application or Closure

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Completion <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2/29/2008 Ran CBL . Pressure test csg to 2200 psi. Held.
 3/3/2008 Perf Pictured Cliffs @ 1380'-1400', 4spf, 0.43" dia. & 80 shots. Acidize w/ 1000gal 15% HCL
 3/5/2008 Frac - ran radioactive isotope tracer during frac. 310 gal Aqua-Safe, 80 gal crosslink, 16,040 16/30 sand.
 3/6/2008 Ran 42 Jts new 2 3/8" 4.7#, J-55, tbg set @ 1400'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Deborah K Powell TITLE Eng Tech Supervisor DATE 3/13/2008

Type or print name Deborah K Powell E-mail address: DebbyP@McElvain.com Telephone No. 303-893-0933

For State Use Only

APPROVED BY: H. Villanueva TITLE Deputy Oil & Gas Inspector, District #3 DATE MAR 19 2008

Conditions of Approval (if any):

B

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised Feb. 26, 2007

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address McElvain Oil & Gas Properties, Inc. 1050 17 th St, Suite 1800 Denver, CO 80265		² OGRID Number 22044
		³ Reason for Filing Code/ Effective Date New Well / 4/25/2008
⁴ API Number 30 - 045-33266	⁵ Pool Name Fulcher Kutz Pictured Cliffs	⁶ Pool Code 77200
⁷ Property Code 34986	⁸ Property Name Ruby	⁹ Well Number 1

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	3	29N	13W		1755	South	860	West	San Juan

¹¹ Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Lse Code	¹³ Producing Method Code PU	¹⁴ Gas Connection Date TBD	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
9018	Giant	O
151618	Enterprise	G
	McElvain Oil and Gas	W

IV. Well Completion Data

²¹ Spud Date	²² Ready Date	²³ TD	²⁴ PBD	²⁵ Perforations	²⁶ DHC, MC
2/07/2008	4/22/2008	1710	1645	1380'-1400'	
²⁷ Hole Size		²⁸ Casing & Tubing Size		²⁹ Depth Set	³⁰ Sacks Cement
12 1/4"		8 5/8"		514'	365
7 7/8"		5 1/2"		1689'	250
		2 3/8"		1566'	

RCOD MAY 9 '08
OIL CONSV. DIV.
DIST. 3

V. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date TBD	³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
		5/9/2008	7 hr		2
³⁷ Choke Size	³⁸ Oil	³⁹ Water	⁴⁰ Gas	⁴¹ Test Method	
1/2"	0	13	1.46	Pumping	

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Deborah K Powell</i>		OIL CONSERVATION DIVISION Approved by: <i>[Signature]</i>	
Printed name: Deborah K Powell		Title: DEPUTY OIL & GAS INSPECTOR, DIST. 3	
Title: Eng Tech Supervisor		Approval Date: MAY 09 2008	
E-mail Address: DebbyP@McElvain.com			
Date: 5/9/2008	Phone: 303-893-0933 Ex 308		

[Handwritten mark]

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

AMENDED

Form C-103
 May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-045-33266
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator McElvain Oil & Gas Properties, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 1050 17 th Street, Suite 1800, Denver, CO 80265		7. Lease Name or Unit Agreement Name Ruby
4. Well Location Unit Letter I : 1755 feet from the South line and 860 feet from the West line Section 3 Township 29N Range 13W NMPM County San Juan		8. Well Number I
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5498'		9. OGRID Number 22044
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER:

OTHER: AMENDED Completion

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- 2/29/2008 Ran CBL . Pressure test csg to 2200 psi. Held.
 3/3/2008 Perf Pictured Cliffs @ 1380'-1400', 4spf, 0.43" dia. & 80 shots. Acidize w/ 1000gal 15% HCL
 3/5/2008 Frac - ran radioactive isotope tracer during frac. 310 gal Aqua-Safe, 80 gal crosslink, 16,040 16/30 sand.
 3/17/2008 Ran 46 Jts new 2 3/8" 4.7#, J-55, thg set @ 1566', SN @ 1533.03.
 4/22/2008 Set Pumping Unit
 4/24/2008 City of Farmington set power poles.

DIST. 3
 OIL CONS. DIV.
 RCVD MAY 9 '08

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Deborah K Powell TITLE Eng Tech Supervisor DATE 5/09/2008

Type or print name Deborah K Powell E-mail address: DebbyP@McElvain.com Telephone No. 303-893-0933

For State Use Only

APPROVED BY: H. Villanueva TITLE Deputy Oil & Gas Inspector, District #3 DATE MAY 09 2008
 Conditions of Approval (if any):

[Handwritten mark]

February 19, 2008
McElvain Oil & Gas Properties
1050 17th St Ste 1800
Denver, CO 80265

30-045-33266

This letter is to certify that D&D Services LLC did run deviation surveys at the below listed depths on your Ruby #1 S3 T29N R13W in San Juan County, New Mexico.

500	1
1000	1 ½
1500	1 ¾
1685	1 ¾

RCVD MAY 9 '08
OIL CONS. DIV.
DIST. 3

To the best of my knowledge, I swear this information to be true.

Sincerely,



Glen Davis
Drilling Manager


OFFICIAL SEAL
KELLIE L. BARRETT
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: July 9 2011

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-045-33266 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> State Oil & Gas Lease No.					
WELL COMPLETION OR RECOMPLETION REPORT AND LOG							
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER		7. Lease Name or Unit Agreement Name RUBY <div style="text-align: right;">RCVD NOV 9 '08</div>					
2. Name of Operator McElvain Oil & Gas Properties, Inc.		8. Well No. 1 <div style="text-align: right;">OIL CONS. DIV.</div>					
3. Address of Operator 1050 17 th St, Suite 1800, Denver, CO 80265		9. Pool name or Wildcat <div style="text-align: right;">DIST. 3</div> Fulcher Kutz Pictured Cliffs					
4. Well Location Unit Letter L _____ 1755 Feet From The _____ South _____ Line and _____ 860 Feet From The _____ West _____ Line Section 3 Township 29N Range 13W NMPM SAN JUAN County							
10. Date Spudded 2/07/2008	11. Date T.D. Reached 2/13/2008	12. Date Compl. (Ready to Prod.) 4/25/2008	13. Elevations (DF& RKB, RT, GR, etc.) 5498' GL 5506' KB	14. Elev. Casinghead			
15. Total Depth 1710	16. Plug Back T.D. 1645	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools		
19. Producing Interval(s), of this completion - Top, Bottom, Name 1378' - 1710' Pictured Cliffs				20. Was Directional Survey Made No			
21. Type Electric and Other Logs Run CBL/CCL/GR/VDL			22. Was Well Cored				
23. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED		
8 5/8"	24#	514'	12 1/4"	365	20		
5 1/2"	15.5#	1689'	7 7/8"	250	2		
24. LINER RECORD			25. TUBING RECORD				
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	1566'	
26. Perforation record (interval, size, and number) 1380'-1400' 0.43 80 holes				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 1380-1400 1000 gal 15% HCL, 310 gal Aqua Safe, 16,040# 16/30 sand			
28. PRODUCTION							
Date First Production TBD		Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) Pumping			Well Status (<i>Prod. or Shut-in</i>) Shut-In		
Date of Test 5/9/2008	Hours Tested 7	Choke Size 1/4"	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 1.46	Water - Bbl. 13	Gas - Oil Ratio
Flow Tubing Press. 2	Casing Pressure 2	Calculated 24-Hour Rate	Oil - Bbl. 0	Gas - MCF 5	Water - Bbl. 43	Oil Gravity - API - (<i>Corr.</i>)	
29. Disposition of Gas (<i>Sold, used for fuel, vented, etc.</i>)					Test Witnessed By		
30. List Attachments Deviation Report							
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief							
Signature <i>Debby Powell</i>		Printed Name Deborah K Powell		Title Eng Tech Supervisor		Date 5/09/2008	
E-mail Address DebbyP@McElvain.com							

B

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

JUN 18 2008

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.

4. Lease Serial No. _____
5. Fee _____
6. If Indian Allottee or Tribe Name _____
Office _____
7. If Unit or CA/Agreement, Name and/or No. _____
8. Well Name and No. **Ruby #1**
9. API Well No. **30-045-33266**
10. Field and Pool, or Exploratory area **PC**
11. County or Parish, State **San Juan, NM**

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well Oil Well Gas Well Other _____

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3a. Address **PO Box 5610 Farmington, NM 87499** 3b. Phone No. (include area code) **505-327-2679**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 3 T29N R13W Lat. 36.75333*N Long. 108.19861*W

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

TYPE OF SUBMISSION	TYPE OF ACTION			
Notice of Intent	Acidize	Deepen	Production (Start/Resume)	Water Shut-Off
	Alter Casing	Fracture Treat	Reclamation	Well Integrity
Subsequent Report	Casing Repair	New Construction	Recomplete	Other <u>First delivery</u>
	Change Plans	Plug and Abandon	Temporarily Abandon	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal	

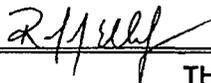
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Date: 6-16-08
Time: 11:15am
Tubing: 10
Casing: 110
IFR: 15 mcf/d
Meter #: 73965-01
Transporter: Enterprise
Orifice: .250
Spring: 500
Range: 150
Tube: 4.027

RCVD JUL 2 '08
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Randy J. Elledge** Title **Foreman**

Signature  Date **6-16-08**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Ar2ravc~ _____ Title _____ Date **JUL 01 2008**

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 **FARMINGTON FIELD OFFICE** BY 

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)

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