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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT Farmington Field Office

FEB 21 2013

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

SUNDRY NOTICES AND REPORTS ON WELLS of Land Management
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.
SE-080136

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
Salazar #10

2. Name of Operator
McElvain Energy Inc.

9. API Well No.
30-039-23765

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

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

10. Field and Pool or Exploratory Area
Otero Chacra, South Blanco PC

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1830 FSL & 1820 FWL, Sec 22, T26N R6W, Rio Arriba Co, NM

11. Country or Parish, State
Rio Arriba, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 <u>Commingled</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 must 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 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.)

Chacra perms 3412-3529, PC perms 2577-2680

2/7/2013 Release packer at 2716 and pull tubing.

2/8/2013 Run bit and scraper and clean out to PBTD 3535. Set RBP at 3347 and packer at 2714.

2/12/2013 Pressure test to 700 psi between plug and packer witness OCD John Durham. Release packer and RBP. Set RBP at 2537. Test casing above 2537 would not hold. Isolate casing leak between 1867 and 1897, with plug and packer. Positive test above and below leak.

Plan of action: Isolate casing leak. Run 2 3/8 tubing with packer set packer at +/- 1950, set end of tubing at +/- 3500. Swab In commingled PC and Chacra perforations. Leave casing shut in and monitor casing pressure build up for 30 days while allowing PC/Chacra to produce. Open casing and monitor and record any gas flow for 30 days while allowing PC/Chacra to produce. Shut casing in and monitor casing pressure for 30 days while allowing PC/Chacra to produce, during this 30 day period a plan to repair the leak or plug the well will be submitted and work will commence on that plan on or before 5/14/2013.

* Shut in for 24hrs weekly, record and report pressures to agencies weekly.

RCVD FEB 26 '13
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)
William A. Merrick

Title District Engineer

Signature

Date 02/14/2013

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

FEB 25 2013

Approved by

Title

FARMINGTON FIELD OFFICE

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)

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