

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 07 2013

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.
NMSF-078807A

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 St, Suite 2500, Denver, CO 80265

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1085' FSL & 285' FWL SWSW Sec 12 T28N R21W NMPM

7. If Unit of CA/Agreement, Name and/or No.
SRM 1453

8. Well Name and No.
Federal Corn #2R

9. API Well No.
30-045-23512

10. Field and Pool or Exploratory Area
Basin Dakota

11. County or Parish, State
San Juan, NM

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 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 recompletable 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 recompletable 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. Is preparing to plug this well. When Partner approval is received we will commence Plugging as per the attached procedure.

Notify NMOCD 24 hrs prior to beginning operations

**RCVD NOV 12 '13
OIL CONS. DIV.
DIST. 3**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Deborah Powell

Title Eng Tech Manager

Signature *Deborah Powell* Date 11/06/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Original Signed: Stephen Mason

Title _____ Date **NOV 08 2013**

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)

NMOCD

McElvain Energy, Inc.
Federal Com 2R
October 2013
P&A Procedure

LOCATION: Sec. 12 T28N R13W
1085 FSL, 285 FWL
San Juan, County, NM

API: 30-045-23512

TD: 6154' **PBTD:** RBP @ 4887 original 5543 **RKB:** 6785 **GL:** 6773

PURPOSE OF WORK:

Repair casing leak by running 2 7/8 tubing and cementing in the hole.

CASING:

8 5/8", 24#, K-55, STC @ 163' . Cemented with 100 sx class B w/ 3% CC. Cement circulated.

4-1/2", 10.5#, J-55 at 6153' with DV tool at 4217 and 1589 in 7-7/8" hole
Cemented with a total of 910 sx cement.

FORMATION TOPS:

Pictured Cliffs	1398
Cliff House	2340
Mancos	4163
Gallup	5083
Greenhorn	5879
Dakota	5984

PERFORATIONS:

5988, 90, 91, 93, 94, 96, 97, 6012, 14, 15, 17, 18, 76, 78, 79, 81, 82, 84.
Retrievable Bridge Plug at 5955.

TUBING: 2-3/8", 4.7# tubing set at 5893 with retrieving head.

CASING LEAK:

2379 to 2221 has been confirmed. Could not get a packer seat between 2379 and 2221.
Pressure up to 500 psi and bleeds off to 250 in 30 making about 10 bbls/hour water.

PROCEDURE:

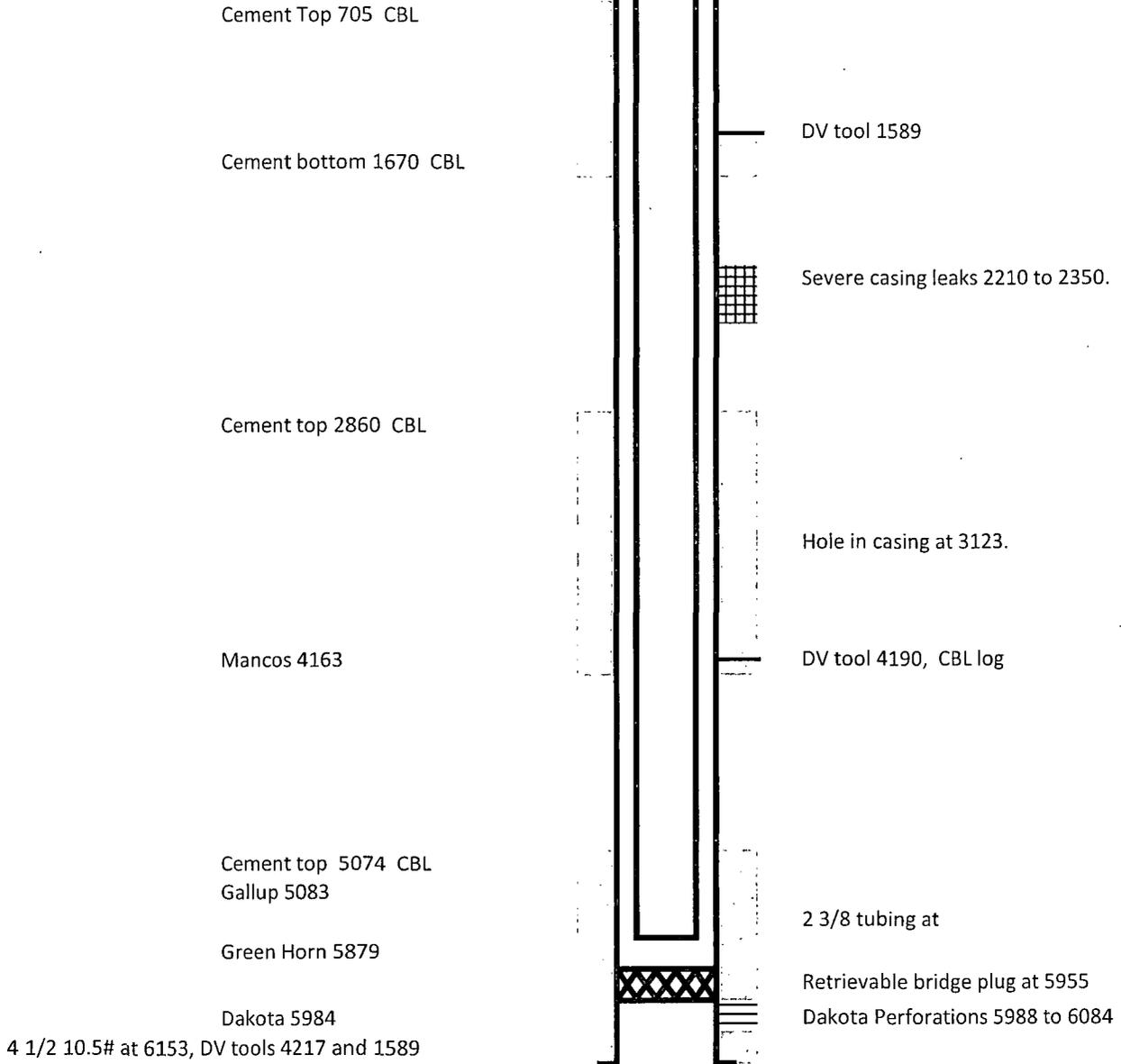
1. Rig up service unit and BOP.
2. Run in tubing and retrieve bridge plug at 5934
3. Pull tubing and plug.
4. Run cement retainer at set at 5934. Sting out of retainer and cap with 8 sx 15.6# 1.18 yield class G cement. Pull out of the hole to 5183.
5. Spot cement plug from 5183 to 5083 using 8 sx cement mixed 15.6# 1.18 yield. Pull tubing and WOC.

6. Run gauge rig and tag cement top. Perforate with 4 shots per foot at 5070.
7. Run cement retainer and set at 5050. Establish rate and cement squeeze with 32 sx class G, 15.6# 1.18 yield cement to cover 5070 to 4970. Sting out of retainer and pump 8 sx cement to cover 5050 to 4950. Gallup plug.
8. Pull up to 4190 and spot 12 sx class G 15.6# 1.18 yield cement from 4190 to 4040. Mancos plug
9. Pull up to 3200 and spot 12 sx class G 15.6# 1.18 yield cement from 3200 to 3050. Chacra plug.
10. Pull tubing to 2100. Run tubing and tag plug. 2390
11. Run gauge ring to 2600. Perforate with 4 shot at ~~2520~~. Run tubing and retainer and set at 2500. 2340
12. Establish rate through perf and cement with 32 sx 15.6# 1.18 yield type III cement. Sting out of retainer and spot 12 sx 15.6# 1.18 yield cement to ~~2350~~. Circulate tubing clean and pull up to 2100, WOC 2290
13. Run in with tubing and tag cement. Pull tubing.
14. Run tubing and cement retainer and set retainer at 2130. Squeeze below retainer with 90 sx Type III cement mixed to 15.6# and 1.18 yield. Sting out of retainer and circulate clean. Pressure test to 500. Pull tubing.
15. Perforate 2125, Mix and pump 41 sx Type III cement mixed 15.6# 1.18 y ield down 4 ½ casing. (If casing does not test in step 15 than a retainer will be used) and displace to 2025.
16. Run tubing and tag plug at 2025. Pull tubing to 1490 and spot 16 sx Type III cement mixed to 15.6# and 1.18 yield from 1490 to 1290. Pull tubing to 1290 and circulate clean. Pull tubing.
17. Run gauge ring to 215. Perforate at 213 with 4 shots. Attempt to break circulation out bradenhead. Cement with Type III cement mixed to 15.6# 1.18 yield until cement returns are seen. WOC. Rig down and move out.
18. Cut off well head and install dry hole marker.

Fruitland plug from 1125'-1025'

Federal Com 2R
Current Diagram

8 5/8 24# set at 163. Cement circulated.



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 2R Federal Com

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Place the Measverde plug from 2390' – 2290' inside and outside the 4 ½" casing.
 - b) Place the Fruitland plug from 1125' – 1025'.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.