

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
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.**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0555076
2. Name of Operator MCELVAIN ENERGY INC		6. If Indian, Allottee or Tribe Name
Contact: TONY G COOPER E-Mail: TONY.COOPER@MCELVAIN.COM		7. If Unit or CA/Agreement, Name and/or No. NMNM117507
3a. Address 1050 17TH STREET STE 2500 DENVER, CO 802065	3b. Phone No. (include area code) Ph: 303-893-0933 Ext: 331	8. Well Name and No. HOWARD FEDERAL 15 43
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 15 T25N R2W NESE 1650FSL 780FEL 36.395210 N Lat, 107.031191 W Lon		9. API Well No. 30-039-23949-00-S1
		10. Field and Pool, or Exploratory BLANCO MESAVERDE GAVILAN
		11. County or Parish, and State RIO ARRIBA COUNTY, NM

12. CHECK 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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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 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 shall 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 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.)

The 2016 Bradenhead test on this well indicates a failure. In order to comply with NMAC Rule 19.15.16.11, prevent waste and protect fresh water, McElvain Energy Inc. has been directed by the NMOCD to initiate remedial activity before September 28, 2016. A remedial procedure is attached. The procedure may change depending on the results of the casing pressure testing.

SEE ATTACHED REMEDIAL PROCEDURE

OIL CONS. DIV DIST. 3
SEP 30 2016

14. I hereby certify that the foregoing is true and correct. Electronic Submission #351734 verified by the BLM Well Information System For MCELVAIN ENERGY INC, sent to the Rio Puerco Committed to AFMSS for processing by WILLIAM TAMBEKOU on 09/27/2016 (16WMT0006SE)	
Name (Printed/Typed) JOE KELLOFF	Title VP PROD & BUSINESS DEVELOPMENT
Signature (Electronic Submission)	Date 09/19/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By WILLIAM TAMBEKOU	Title PETROLEUM ENGINEER	Date 09/27/2016
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 Rio Puerco		

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****NMOCD *fy**6*

McELVAIN OIL & GAS PROPERTIES, INC.

Howard Federal 43 #15

Remedial Work to Re-establish production

September 5, 2016

LOCATION: 1650' FSL & 790' FEL
NE/SE 15-T25N-R3W
Rio Arriba County

ELEVATION: 7249' GL KB: 12'
TD: 7982' PBTD: 7912' RBP: 5450'

CASING:

9 5/8" 36# K-55 ST&C @ 374' in 12 1/4" hole
Cemented with 250 sacks Class B +3% CaCl + 1/4#/sk flocel
Circulated to surface

7" 23/26# N-80 @ 7956' in 8 3/4" hole..DV Tool @ 3625' & 4999'
1 jt 26# N-80 (43.10')
87 jts 23# N-80 (3570.34')
DV tool (3.00') Set @ 3625' KB
33 jts 23# N-80 (1370.12')
DV tool (3.00') Set @ 4999' KB
38 jts 23# N-80 (1561.09')
35 jts 26" N-80 (1354.67')
Float Collar (2.00') Set @ 7917' KB
1 jt 26# N-80 (36.10')
Guide Shoe (1.00') Set @ 7956' KB

1st stage cemented with 860 sxs 50/50 POZ +2% gel +6 1/4 #/sk Gilsonite
Tailed with 50 sxs Class AB@ neat
TOC @ 75500' (bond log)

2nd stage 440 sxs 65/35 POZ +3% Gel +12 1/2#/sk Gilsonite +10% Calseal
Tailed with 50 sxs Class AB@ neat
TOC 3625' (bond log)

3rd stage 160 sxs 65/35 POZ +3% Gel +12 1/2#/sk Gilsonite+10% Calseal
Tailed with 50 sxs Class AB@ neat
TOC 1210' (bond log)

Cement Squeeze :

Squeeze hole @ 5465' 5/17/00 squeezed with 50 sxs Class "B" +2% CaCl
5/19/00 squeezed with 50 sxs Class "B" +2% CaCl
TOC @ 5230' (bond log)

PERFORATIONS:

Graneros/Dakota:

7715', 7723', 7726', 7735', 7754', 7757', 7759', 7762', 7771', 7775', 7791', 7793', 7796',
7799', 7821', 7824', 7826', 7828', 7830', 7842', 7845', 7847', 7852', 7855' & 7860'.

Shot density 2 SPF

Broke down with PIP tool with acid & KCL water

Frac down 3 2 tubing with 105,000# 20/40 & 98,000 gal gelled KCl water

1-3 ppg sand concentration Avg Rate: 50 BPM Avg PSI: 2800 Max PSI: 3600

ISIP: 1400 15 Min: 820

Greenhorn:

7577', 7580', 7592', 7595', 7603', 7606', 7612', 7620', 7623', 7628', 7632', 7643', & 7646'

Shot density 2 SPF

Broke down with PIP tool with acid & KCL water

Frac down 2 7/8 tubing with 30,500# 20/40 & 51,000 gal gelled KCl water

3/4-1.5 ppg sand concentration Avg Rate: 35 BPM Avg PSI: 3200 Max PSI: 4070

ISIP: 2550 15 Min: 2000

Gallup/Mancos: Squeezed with 250 sxs Class "B" +2% CaCl (5/11/00)

6581', 6595', 6620', 6624', 6665', 6686', 6695', 6740', 6746', 6757', 6766', 6770', 6742', 6772',
6785', 6793', 6801', 6804', 6816', 6823', 6831', 6844', 6853', 6862', 6905', 6923', 6931', 6951',
6960', 6970', 6985', 6993' & 7006'

Shot density 2 SPF

Broke down with PIP tool with acid & KCL water

Frac down 3 1/2 tubing with 110,000# 20/40 & 93,200 gal gelled KCl water

1-1.5 ppg sand concentration Avg Rate: 55 BPM Avg PSI: 2400 Max PSI: 2800

ISIP: 900 15 Min: 570

Mesaverde: Squeezed 1/11/01 with 200 sxs Class H +2% CaCl

5497', 5498', 5499', 5504', 5505', 5506', 5507', 5508', 5535', 5536', 5537', 5539', 5541',
5542', 5543', 5544', 5545', 5546', 5547', 5552', 5564', 5565', 5566', 5567', & 5568'.

Shot density 1 SPF

Acidize with 1500 gal 15% HCl & 40 ball sealers

Frac with 60,500# 20/40 Super DC & 104,400 Gal 2% KCl water 1/2-1 ppg
concentration

PERFORATIONS (cont)

Mesaverde:

5245', 5247', 5249', 5251', 5253', 5255', 5257', 5259', 5261', 5281', 5283',
5285', 5287', 5289', 5291', 5293', 5301', 5303', 5305', 5307', 5309', 5311',
5339', 5343', 5345', 5347', 5349', 5379', 5381', 5383', 5385', & 5387'

(32 holes)

Acidize with 1500 gallons 15% HCl and 60 ball sealers

Frac with 99,140# 20/40 Super LC and 135,450 gallons 2% KCl water 0.5-1.25
ppg concentration

TUBING: (4/29/02)

Mesaverde Short String Detail as of 04/29/02

	11.00'	KB Elevation	
11.00'	5,373.44'	167 jts	(4) 2-3/8", 4.7#, N-80 Tubing
5,384.44'	1.10'	(3)	2-3/8" Seat Nipple
5,385.54'	31.70'	1 jts	(2) 2-3/8", 4.7#, N-80 Tubing
5,417.24'	0.40'	(1)	2-3/8" Notched Collar
5,417.64'	5,417.64'	168 jts	END OF TUBING

Dakota Long String Detail as of 04/29/02

	9.50'	KB Elevation	
9.50'	5,657.09'	175 jts	(6) 2-3/8", 4.7#, N-80 Tubing
5,666.59'	9.92'	(5)	Baker "R-3" Packer
5,676.51'	2,102.86'	66 jts	(4) 2-3/8", 4.7#, N-80 Tubing
7,779.37'	1.10'	(3)	2-3/8" Seat Nipple
7,780.47'	32.36'	1 jts	(2) 2-3/8", 4.7#, N-80 Tubing
7,812.83'	0.40'	(1)	2-3/8" Notched Collar
7,813.23'	7,813.23'	242 jts	END OF TUBING

PROCEDURE:

Notify: NMOCD 24 Hours before work starts on well. Comply w/ all Local, State and Federal Laws and rules.

1. Try to flow pressure off and load up long and short string to sales line.
2. Set 2 work tanks w/ 400 Bbls. Of produced water in one and 400 Bbls. Of fresh in other.
3. Locate and have ready off set rams for BOP and a valve ru to install in long string. Will need a spool below bop for clearance of valve and BOP.
4. MI & RUSU.
5. MIRU Slick line and set retrievable tubing plug in Long DK. string.
6. Load long string w/ produced water to balance formation pressure.
7. Bleed Casing down. Kill short string tubing with produced water.
8. Blow down MV string.
9. RU BOP
10. MIRU Tuboscope rig floor tubing inspection.

11. POOH MV Short string tubing, inspect, tally and lay down.
12. Turn Rams around.
13. RU Slick line and fish Tubing plug.
14. Use produced water to kill Dakota.
15. MIRU Tubescope rig floor tubing inspection,
16. Release packer and POOH w/ long string, inspect, tally and stand back.
17. MU and RIH w/ CIBP and set @ 5450'
18. POOH
19. RIH w/ cement retainer and tubing set CR @ 5150' +/- (Note casing Collars)
20. Squeeze MV Perfs w/ 200 Sxs. Of class G cement.
21. Reverse out tubing.
22. POOH w/ tubing and BHA.
23. Pressure test casing and MIT if needed at this point.
24. MIRU Wire line.
25. Shoot Squeeze holes at 1200'
26. Establish circulation w/ fresh water.
27. RIH w/ cement retainer to 1100'.
28. RU and Cement long casing back to surface w/ sxs. Of class G cement.
29. Sting out and reverse out.
30. POOH w/ tubing and BHA.
31. WOC.
32. RIH w/ veral rock bit 6 Drill collars and tubing.
33. Drill out CR. @ 1100' And cement to 1200' pressure test to 600 PSI.
34. If tests is good continue, if not re squeeze.
35. Lower tubing and Drill out CR @ 5150' drill out cement to CIBP @ 5450'.
36. Do not drill out CIBP.
37. Load and pretest MIT. To 600 PSI.
38. Preform MIT test w/ 3rd party chart to 600 PSI. w/ NMOCD on location.
39. MIRU air unit.
40. Drill out CIBP @ 5450'.
41. Lower and clean out to PBTD @ 7912'
42. Kill well w/ produced water as needed.
43. POOH w/ tubing and BHA.
44. RIH w/ tubing w/ S.N. on the very bottom, land tubing @ 7800' +/-
45. ND BOP and NU Single string wellhead configuration.
46. Swab/flow test Dakota zone/ flow test to get air out of well bore.
47. Evaluated whether: 1. plunger lift or 2. rod lift is needed.
48. Install lifting system.
49. RD SU and MOL
50. Return well to production.

NOTE:

DO NOT USE LIQUID KCl SUBSTITUTE in COMPLETION FLUIDS