

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

5. Lease Serial No.
NMSF-065557

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry Other **2006 AUG 7 AM 10 40**
b. Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☒ Diff. Resvr.
Other _____ **RECEIVED**

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)

At surface **1790' FNL & 790' FEL H Sec 11 T29N R12W NMPM**

At top prod. interval reported below

At total depth

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
Payne #1R

9. API Well No.
30-045-29945

10. Field and Pool, or Exploratory
Fruitland Coal

Sec. T, R, M, on Block and
Survey or Area **Sec 11, T29N-R12W**

12. County or Parish **San Juan,** 13. State **NM**

14. Date Spudded
10/27/99

15. Date T.D. Reached

16. Date Completed
☐ D & A ☒ Ready to Prod.
7/31/2006

17. Elevations (DF, RKB, RT, GL)*
5778' GL

18. Total Depth: **MD 2050**
TVD

19. Plug Back T.D.: **MD 1980**
TVD

20. Depth Bridge Plug Set: **MD 1870**
TVD/N/A

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)

CBL,

22. Was well cored? ☐ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Skcs. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
8 3/4"	7" J-55	17	surface	130'		50sx -Class B		surface	
6 1/4"	4 1/2" J-55	10.5	surface	2022'		175 sx-Class B		surface	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8	1825							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Fruitland Coal	1636	1859'	1636-1642, 1723-1727	0.41	80	Producing
B)			1762-1772			Producing
C)			1810'-1814', 1838'-1850	0.41	112	Producing
D) Pictured Cliffs	1860'	1969	1874'-1942	0.36"	12	RBP @1870 SI

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
1636'-1772	1500 gal 15% HCl, 1897 bbls Gel, 15740# 20/40 sand & 112,690# 16/30 sand
1810'-1850'	2500 gal 15% HCl, 1396 Gel, 252 bbls Aqua X20, 6095# 16/30 sand, 12,500# 20/40 & 39,500# 16/30 sand

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
NA	7/31/2006	9	→	-	-	27	-	-	ACCEPTED FOR RECORD
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
1/2"	105	175	→	-	-	72	-	SI	AUG 08 2006

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
N/A			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
									NMOCD

FARMINGTON FIELD OFFICE

3b. Production - Interval C

ate First roduced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

3c. Production - Interval D

ate First roduced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

4. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

5. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Ojo Alamo	566				
Fruitland	1636				
Pictured Cliffs	1860				
Lewis	1970				

2. Additional remarks (include plugging procedure):

3. Circle enclosed attachments:

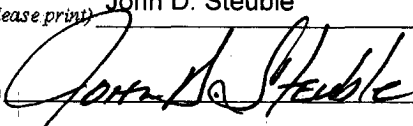
1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report 4. Directional Survey
5. Sundry Notice for plugging and cement verification 6. Core Analysis 7. Other:

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) John D. Steuble

Title Vice President Engineering

Signature



Date 8/2/2006

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.