

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 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

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

Pit or Below-grade Tank Application X or Closure ☐

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

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Pit - Hole 5' x 8' + C&C + TD closure ☒

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
For State Use Only

E-mail address: pmci@advantas.net Telephone No. 505.632.3869

APPROVED BY: Henry Villanueva TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 2 DATE SEP 28 2006

Conditions of Approval (if any):

* Pit permit is denied, Brandon Powell

B