

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

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
 Oil Well Gas Well Other

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

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

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

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
**SWSW Sec 8 T30N R10W 6th PM
 790' FWL - 805' FSL**

5. Lease Serial No.
NMSF-077754

6 If Indian, Allottee or Tribe Name
**RCVD SEP 10 '07
 OIL CONS. DIV.**

7. If Unit or CA/Agreement, Name and/or No.
DIST. 3

8. Well Name and No.
Kelly Federal #1

9 API Well No
30-045-25424

10. Field and Pool, or Exploratory Area
Basin Dakota

11. County or Parish, State
San Juan Co, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 Operator change
	<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 recomplate 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 recompletion 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.)

McElvain Oil & Gas Properties, Inc. took over as Operator of this well from Little Oil & Gas, Inc (previously know as Curtis J Little) as of September 1, 2005.

McElvain's Nationwide bond # is COB-000010

RECEIVED
 BLM
 210 FARMINGTON NM
 2007 SEP -4 AM 9:50

14 I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) **Deborah K Powell** Title **Engineering Tech Supervisor**

Signature *Deborah K Powell* Date **08/27/2007**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by _____ Title _____ Date **SEP 06 2007**

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 **FARMINGTON DISTRICT OFFICE**
 BY *[Signature]*

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

[Handwritten mark]