Fórm 3160-5 (April 2004)

HMITED STATES

UNITEDSIATES				
DEPARTMENT OF THE INTERIOR				
RUREAU OF LAND MANAGEMENT				

	TORM APPROVED OMB No 1004-0137 Expires March 31, 2007
5	Lease Senal No

)	Lease	Senal	Ŋ
	N18.4	010	۸,

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

	NM-01806	
6	If Indian, Allottee or Tribe Name	

abandoned we	ell. Use Form 3160 - 3 ((APD) for such proposals.		
SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1 Type of Well Gas Well Other Other			7 If Unit or CA/Agreement, Name and/or No. NMNM 115827 8 Well Name and No.	
2 Name of Operator McElvain Oil & Gas Properties, Inc. JAN 1 8 2008		9 API Well No 30-039-24116		
3a Address 3brePhonoNo. include area coal pent 1050 17th St., Suite 1800. Denver, CO 80265 303-893-09331 Field Office		10 Field and Pool, or Exploratory Area		
4 Location of Well (Footage, Sec. 910' FNL & 1705' FEL,	T., R., M., or Survey Description) Sec 5 T25N R2W		Blanco Mesaverde 11 County or Parish, State Rio Arriba , NM	
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA				
TYPE OF SUBMISSION		TYPE OF ACTION		
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Production Fracture Treat Reclamation New Construction Plug and Abandon Femporarily Plug Back Water Disp	y Abandon	
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 recomplete 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 proposes to P&A the referenced well per the attached P&A procedure.

RCVD FEB 1 '08

OIL CONS. DIV.

DIST. 3

14 Thereby certify that the foregoing is true and correct Name (Printed/Typed)					
Jim McKinney		Title Operations Engineer			
Signature Sim M Vic	Date	01/14/2008			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE					
Approved by Original Signed: Stephen Mason		Title	Date	JAN 3 0 2008	
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)





PLUG AND ABANDONMENT PROCEDURE

December 28, 2007

Prowler #2

910' FNL and 1705' FEL, Section 5, T25N, R2W Rio Arriba County, New Mexico, API 30-039-24116 Lat: 36°12'12.12" N / Long: 106°56'13.3"W

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

Project will require a Pit Permit (C103) from the NMOCD.

- Install and test rig anchors. Comply with all NMOCD, BLM and McElvain safety rules and regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.
- 2. PU on tubing and release pump. Reseat pump. Pressure test tubing to 1000 PSI. TOH and LD rods and pump. TOH and tally 2.375" tubing, total 5820', TAC at 5525', SN at 5784'. Visually inspect tubing and if necessary use a workstring. Round trip a 5.5" casing scraper to 5554'.
- 3. Plug #1 (Cliffhouse perforations and top, 5554' 4690'): TIH and set a 5.5" CR at 5554' Load the casing with water and circulate well clean. Pressure test casing to 800#. <u>If casing does not test, spot or tag subsequent plugs as appropriate</u>. Mix 18 sxs Type III cement and spot a balanced plug inside casing to isolate the Cliffhouse perforations. PUH.

3330

- 4. Plug #2 (Pictured Cliffs, Kirtland, Fruitland and Ojo Alamo tops, 3833' 3477'): Mix and pump 42 sxs Type III cement inside casing to cover through the Ojo Alamo top. PUH, 2193 ເພງ3
- 5. Plug #3 (Nacimiento top, 2018' 1948'): Mix and pump 16 sxs Type III cement inside casing to cover the Nacimiento top. TOH and LD tubing.
- 6. **Plug #4 (9.625" casing shoe and surface, 554' 0'):** Perforate 3 HSC squeeze holes at 554'. Establish circulation to surface out the bradenhead valve; circulate the BH annulus clean. Mix approximately 180 sxs cement and pump down the 5.5" casing to circulate good cement to surface out the bradenhead valve. Shut in well and WOC
- 7. ND BOP and cut off wellhead below surface casing flange. Top off cement in casing and annulus as appropriate and install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FARMINGTON DISTRICT OFFICE

1235 LA PLATA HIGHWAY FARMINGTON, NEW MEXICO 87401

Attachment to notice of Intention to Abandon:

Re: Permanent Abandonment

Well: 2 Prowler

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) 599-8907.
- 3. The following modifications to your plugging program are to be made:
- a) Bring the top of the Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug to 3330'.
- b) Place the Nacimiento plug from 2193' 2093'.

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.