

DIST. 3

Submit 2 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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
October 25, 2007

<p>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.)</p>		<p>WELL API NO. 30 - 045 - 08710</p>
<p>1. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other</p>		<p>5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator E.L. Fundingsland (McElvain Agent)</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator PO BOX 1157, Littleton, CO 80160</p>		<p>7. Lease Name or Unit Agreement Name S.D. Sunical</p>
<p>4. Well Location Unit Letter <u>L</u> : <u>1780</u> feet from the <u>S</u> line and <u>900</u> feet from the <u>W</u> line Section <u>3</u> Township <u>29N</u> Range <u>13W</u> NMPM County <u>San Juan</u></p>		<p>8. Well Number <u>10 D</u></p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6829 GL</p>		<p>9. OGRID Number 22044</p>
<p>10. Pool name or Wildcat Basin Dakota</p>		

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 ☐

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☒
 CASING/CEMENT JOB ☐

OTHER: ☐

☒ Location is ready for OCD inspection after P&A

- ☒ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
☒ A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☒ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
☐ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level. To be used on new well.
☒ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
☒ All other environmental concerns have been addressed as per OCD rules.
☐ Pipelines and flow lines have been abandoned in accordance with 19.15.9.714.B(4)(b) NMAC. All fluids have been removed from non-retrieved flow lines and pipelines. To be used on new well.

When all work has been completed, return this form to the appropriate District office to schedule an inspection. If more than one inspection has to be made to a P&A location because it does not meet the criteria above, a penalty may be assessed.

SIGNATURE Deborah K Powell TITLE Eng Tech Supervisor DATE 1/24/08

TYPE OR PRINT NAME Deborah K Powell E-MAIL: Debbyp@McElvain.com PHONE: 303-893-0933
For State Use Only

APPROVED BY: Shelly Corcoran TITLE Deputy Oil & Gas Inspector, District #3 DATE APR 09 2008
Conditions of Approval (if any):

Permission to Place Marker for ease in removal for work needed on replacement well.

B

PN

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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. 30-045-08710
5. Indicate Type of Lease STATE FEE XXX <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name S.D. Sunical
8. Well Number 10
9. OGRID Number
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 <input type="checkbox"/> XXX Gas Well Other
2. Name of Operator McElvain Oil & Gas Properties, Inc
3. Address of Operator P.O. Box 5610, Farmington, NM 87499-560
4. Well Location Unit Letter _____ : _____ feet from the _____ South _____ line and _____ feet from the _____ West _____ line Section 3 Township 29 N Range 13W NMPM San Juan County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6829' GL

Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Lined _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
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:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A XX <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

Operator plugged and abandoned this well per the attached Plug and Abandonment Report on December 31, 2007..

RCVD JAN 18 '08
OIL CONS. DIV.
DIST. 3

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 ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

SIGNATURE William A. Merrick TITLE District Engineer DATE 1-18-08
Jim McKinney Operations Engineer

Type or print name William A. Merrick E-mail address: _____ Telephone No. _____
For State Use Only

APPROVED
BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979
Farmington, New Mexico 87499
505-325-2627 * fax: 505-325-1211

McElvain Oil & Gas Properties, Inc.

December 31, 2007

S. D. Sunical #10

Page 1 of 4

1780' FSL & 900' FWL, Section 3, T-29-N, R-13-W

San Juan County, NM

Lease Number: Fee

API #30-045-08710

Plug and Abandonment Report

Notified BLM / NMOCD on 12/12/07

Work Summary:

- 12/13/07 MOL. Spot in rig and set on jacks. Check well pressures: casing and tubing, 580 PSI, bradenhead valve plugged; pressure trapped. Blow well down 1 hour, casing, 50 PSI; tubing, 0 PSI. SI well. SDFD.
- 12/14/07 Check well pressures: casing and tubing, 570 PSI. Blow well down to pit RU rig and equipment. RU pump to tubing and pump 45 bbls down tubing. ND wellhead. Free donut from wellhead and install companion flange. NU and test BOP. Install valve in bradenhead. No pressure trapped behind valve. TOH with 120 joints 2.375" 4.7# J-55 tubing. Pump 40 bbls of water down casing. SI well. SDFD.
- 12/17/07 Check well pressures: casing and tubing, 120 PSI; bradenhead, 90 PSI. Blow well down to pit. Continue to TOH with tubing. Total tally 190 joints tubing, 6013'. Round trip 4.5" casing scraper to 6013'. RIH and set 4.5" DHS cement retainer at 5917'. Pressure test tubing to 1000 PSI. Sting out of CR and load casing with 58 bbls of water. Circulate well clean with total 95 bbls of water. Attempt to pressure test casing to 800 PSI, bled down to 750 PSI in 5 minutes. TOH and SB 10 stands tubing. SI well. SDFD.
- 12/18/07 Open up well, no pressures. TIH with tubing to 5917'. Pump 20 bbls of water and test pop-off valve. Attempt to pressure test casing to 800 PSI, bled down to 790 PSI in 10 minutes. Note: WOC not required by NMOCD on Plug #1.
Plug #1 with CR at 5917', spot 16 sxs Type III cement (22 cf) inside casing from 5917' to 5682' to cover the Dakota interval
TOH with tubing and LD stinger. Perforate 3 squeeze holes at 5142'. Attempt to establish rate into squeeze holes .25 bpm at 800 PSI. H. Villanueva, NMOCD, approved procedure change. TIH with tubing to 5192'.
Plug #2 spot 17 sxs Type III cement (23 cf) inside casing from 5192' to 4942' to cover the Gallup squeeze holes and top.
PUH to TOC and standback 5 stands. Pump to tubing and load hole with 1 bbl. SI casing and pump .5 bbls. Pressured up to 600 PSI and held for 2 minutes. TOH and stand back 5 stands. SI well. SDFD.

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December 31, 2007

S. D. Sunical #10

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Work Summary - Continued:

12/19/07 Open up well, no pressure. Tag cement at 5028'. PUH to 2911'. Pressure test casing to 800 PSI for 5 minutes TOH with tubing. RU Blue Jet wireline. Run CBL log from 4750' to surface. Found DV tool at 4450'. TOC in annulus at 2590'. H. Villanueva, NMOCD, approved procedure change. TIH with tubing plugging sub to 2943'. TOH and SB 5 stands. SI well. SDFD.

12/20/07 Open up well, no pressure. TIH with tubing to 2943'.

Plug #3 mix and pump 11 sxs Type III cement (15 cf) from 2943' to 2781' to cover the Mesaverde top.

TOH with tubing. Perforate 3 squeeze holes at 1550'. Load casing with 5 bbls of water and pump 10 bbls of water 2 bpm at 700 PS. No blow on bradenhead. Wait on orders. S. Cowden, NMOCD, approved procedure change. TIH and set 4.5" DHS cement retainer at 1526'. Pressure test tubing to 1000 PSI. Sting out of CR. Pressure test casing to 800 PSI. Sting into CR and establish rate 2 bpm at 700 PSI.

Plug #4a with CR at 1526', mix and pump 50 sxs Type III cement (66 cf), displace cement into tubing to 775' 1 bpm at 700 PSI. Stop pumping and held at 200 PSI. Displace cement below CR ¼ bpm with final displacement rate ¼ bpm at 700 PSI and held at 500 PSI. Sting out of CR and circulate 12 bbls out the tubing. TOH and LD 2 joints tubing. Stand back remaining tubing. SI well. SDFD.

12/21/07 RU BlueJet Wireline. Run CBL from 1526' to 1300'. TOC in annulus at 1480'. S. Cowden, NMOCD, approved procedure change. Perforate 3 squeeze holes at 1460'. Load casing with 1 bbl of water. Casing pressured up to 800 PSI and bled down to 775 PSI in 1 minute. TIH and set 4.5" packer at 1408'. Pressure casing up to 500 PSI. Pump 20 bbls of water down tubing 2 bpm at 1500 PSI. No blow out bradenhead. S. Cowden, NMOCD, approved procedure change. TOH and LD packer. TIH and set 4 5" DHS cement retainer at 1439'. Pressure test tubing to 1700 PSI. Sting out of CR. Pressure test casing to 800 PSI. Sting into CR and establish rate 1 bpm at 900 PSI.

Plug #4b with CR at 1439', mix and pump 50 sxs Type III cement (66 cf), displace cement below CR 1 bpm at 1200 PSI. Sting out of CR and circulate 15 bbls of cement out of tubing. TOH and LD 11 joints tubing. SI well. LD derrick on rig for Christmas holidays. SDFD.

12/26/07 Open up well, no pressure. Repair rig. RU rig. RU BlueJet Wireline. Run CBL from 1429' to 1200', no changes in annulus from previous CBL. Wait on orders. SI well. SDFD.

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S. D. Sunical #10

December 31, 2007

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Work Summary - Continued:

12/27/07 Open up well, no pressure. Perforate 3 squeeze holes at 1425'. Load casing with 4 bbls of water. Establish rate through squeeze holes 2 bpm at 500 PSI. Note: small blow on bradenhead. Pump 35 bbls of water; blow on bradenhead stopped. Final rate 1 bpm at 700 PSI. RIH with 4.5" PlugWell wireline cement retainer and set at 1380'. Pressure test casing to 800 PSI. Perforate 3 squeeze holes at 1378'. Establish rate into squeeze holes 2 bpm at 400 PSI. Pumped 4 bbls total; no blow on bradenhead valve. TIH with tubing and stinger. Sting into CR. Establish rate 2 bpm at 1200 PSI. Pump 10 bbls ahead; no blow on bradenhead with 1/8 returns out casing.

Plug #4c with CR at 1380', mix and pump 50 sxs Type III cement (66 cf), displace cement below CR at 1380' 1/2 bpm at 800 PSI. No blow on bradenhead and 1/8 returns out casing valve.

TOH with tubing and LD stinger. SI well. SDFD.

12/28/07 Open up well, no pressure. Load casing with 2.5 bbls of water. Pump 20 bbls of water at 1 bpm at 700 PSI. No blow on bradenhead valve. Stopped pumping and pressure dropped to 200 PSI and held. Pump additional 6 bbls of water 1 bpm at 700 PSI, then 1 bpm at 1/2 bpm at 800 PSI. Stopped pumping and pressure dropped to 400 PSI and held. Wait on packer. TIH and set 4.5" packer at 1376'. Pressure casing up to 500 PSI and SI. Pump 50 bbls of water 2 bpm at 1500 PSI. No blow on bradenhead. Wait on orders. S. Hayden, NMOCD, approved procedure change TOH and LD packer. RIH and set 4.5" PlugWell wireline cement retainer at 1375'. Load casing with 2.5 bbls of water. Pressure test casing to 800 PSI. Perforate 3 squeeze holes at 1200'. Establish rate into squeeze holes 1/4 bpm at 800 PSI. TIH tubing and sting into CR at 1375'. Establish rate 1 bpm at 800 PSI. Pump 5 bbls of water ahead, some returns.

Plug #4d with CR at 1375', mix and pump 65 sxs Type III cement (86 cf), displace cement below CR with final rate 1 bpm at 1300 PSI, up to 3/4 returns. Sting out of CR. RU pump to casing and circulate 22 bbls of dirty water, no cement, out tubing. TOH and stand back 10 stands of tubing. SI well. SDFD.

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December 31, 2007

S. D. Sunical #10

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Work Summary - Continued:

12/29/07 Open up well, no pressure. TOH with tubing and LD stinger. RU BlueJet Wireline. Run CBL from 1375' to 800'. TOC in annulus at 1198'. Load casing with 2.5 bbls of water. Pressure test casing to 800 PSI. Bled down to 750 PSI in 2 minutes. Wait on orders. S. Hayden, NMOCD, approved procedure change. TIH with tubing and plugging sub to 1375'. Pump 5 bbls ahead.

Plug #4e mix and pump 19 sxs Type III cement (26 cf) inside casing from 1375' to 1095'. PUH to 1100'. Circulate 6 bbls of water out tubing. TOH with tubing and LD plugging sub. Perforate 3 squeeze holes at 1080'. Load casing with 2 bbls of water. Establish circulation out bradenhead with 11 bbls of water. Circulate total 48 bbls of water out bradenhead 2 bpm at 700 PSI. RIH and set 4.5" PlugWell wireline CR at 1080'. Pressure test casing to 800 PSI. TIH with tubing and sting into CR at 1080'. Establish rate 2 bpm at 700 PSI. Establish circulation out bradenhead with 10 bbls of water.

Plug #4f with CR at 1080', mix and pump 350 sxs Type III cement (462 cf) below CR with good returns out annulus. Note: Heavy mud in returns plugged bradenhead valve. Pump additional 90 sxs with sporadic returns. Displace cement below CR ½ bpm at 700 PSI. No returns out bradenhead valve. TOH and stand back 10 stands tubing. SI well. SDFD.

12/31/07 Open up well, no pressure. Bradenhead valve plugged with cement. TOH with tubing and LD stinger. RU BlueJet Wireline. Run CBL from 1040' to surface. TOC in annulus at surface. RIH with open ended tubing; unable to go past 1040'. K. Roberts, NMOCD, approved procedure change.

Plug #5 spot 12 sxs Type III cement inside casing from 1040' to 864' to isolate the Pictured Cliffs top and cover the Fruitland top. PUH to 510'.

Plug #6 spot 48 sxs Type III cement (64 cf) inside casing from 510' to surface, circulate good cement out casing valve.

TOH and LD tubing. ND BOP. Dig out wellhead. Issue Hot Work Permit. Cut off wellhead. Found cement at surface in bradenhead and down 15' in casing. Mix 15 sxs Type III cement and set P&A marker. RD and MOL.

M. Wolfe, McElvain representative, was on location.

S. Cowden, M. Kuehling, K. Roberts, NMOCD representatives, were on location.