

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised August 1, 2011

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.)		WELL API NO. <input checked="" type="checkbox"/> 30-025-40305
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator McElvain Energy, Inc.		6. State Oil & Gas Lease No. VB20140000
3. Address of Operator 1050 - 17 th Street, Suite 2500 Denver, Colorado 80265		7. Lease Name or Unit Agreement Name Branch Ranch 35 State
4. Well Location Unit Letter <u>G</u> : 1980 feet from the <u>North</u> line and <u>1650</u> feet from the <u>East</u> line Section <u>35</u> Township <u>15S</u> Range <u>33E</u> NMPM County <u>Lea</u>		8. Well Number 1
		9. OGRID Number 22044
		10. Pool name or Wildcat North Hume (Wolfcamp)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4,149' GLE & 4,166' KBE (w/17' KB)		

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 <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	Intermediate Csg <input type="checkbox"/>
DOWNHOLE COMMINGLE <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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

13.375" Surface casing was set at 1,685' KB tally depth and cemented to surface on June 4, 2012.
After the NU of BOPE and a WOC of 31 hours, the surface casing was drilled out with an 11" PDC bit on June 5, 2012.

The 11" intermediate hole was drilled to 4,468' and reached this depth on June 8, 2012 after 68 rotating hours. A fluid caliper was run prior to pulling the drill string and running 99 joints (4,468") of new 8.625", 32 #/ft, J-55, LT&C, Rng 3 casing. Rising Star cemented to surface with 1,110 sx 35/65 Class 'C' LEAD cement mixed at 12.8 ppg & 1.9 Yield followed by 250 sx Class 'C' TAIL cement mixed at 14.8 ppg and 1.34 Yield. The casing was cemented to surface with full returns and recovered 68 bbls (201 sx) slurry to steel returns tank on June 9, 2012.

Casing cut-off, install of wellhead, retest of BOPE, MU & TIH w/7.875" bit on BHA #3 and WO repairs to surface equipment totaled 51.5 hours between cement plug bump on intermediate string and start of drill out of production hole on June 11, 2012.

Spud Date: June 1, 2012

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Operations Manager DATE June 17, 2012

Type or print name E. Reed Fischer E-mail address: reedf@mcelvain.com PHONE: 303.893.0933 xtn 330

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 21 2012

Conditions of Approval (if any):

JUN 21 2012