

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

RECEIVED

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

MAR 18 2011

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.		5. Lease Serial No. C-069457
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name na
2. Name of Operator McElvain Oil & Gas Properties, Inc.		7. If Unit or CA/Agreement, Name and/or No. na
3a. Address 1050 - 17th Street, Suite 1800 Denver, Colorado 80265	3b. Phone No. (include area code) 303-893-0933	8. Well Name and No. McElvain # 10
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2240' FSL & 990' FWL (NWSW) Section 31, T18S-R34E		9. API Well No. 30-025-39520
		10. Field and Pool, or Exploratory Area EK - Bone Spring
		11. County or Parish, State Lea County, 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 Additional Perfs & ReFrack of 2nd Bone Spring
	<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 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.)

Subsequent Report of Adding Additional Perforations to 2nd Bone Spring Sand and Refracking 2nd Bone Spring Sand Interval:

On Nov. 10, 2010 McElvain O&G added additional perforations to the existing 2nd Bone Spring sand formation. The added perfs, shot at 2 spf & 120 degree phasing were from 9,560 - 9,572 and 9,532 - 9,542'. With the addition of these new perforations, the gross perforated interval in the 2nd Bone Spring amounted to 66' from 9,532 to 9,598' (34' net, 92 holes). On Nov. 13, 2010 the 2nd Bone Spring was ReFracked by BJ Services w/2000 # 20/40 sand, 12,000 # LiteProp 108 and 8,660 # of 20/40 SLC in 4,527 bbls of slick water. The well was swab tested until returns cleaned up and then placed back on pump on November 20, 2010.

PLEASE KEEP ALL INFORMATION CONFIDENTIAL FOR THE MAXIMUM ALLOWABLE PERIOD OF TIME.

CONFIDENTIAL

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) E. Reed Fischer Title Senior Operations Engineer

Signature *E. Reed Fischer* Date 02/23/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	MAR 14 2011
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.		ACCEPTED FOR RECORD /s/ Chris Walls BUREAU OF LAND MANAGEMENT U.S. DEPARTMENT OF THE INTERIOR

(Instructions on page 2)

KK PETROLEUM ENGINEER
MAR 21 2011