

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

5. Lease Serial No.
NMSF079186

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
SCOTT B 1

9. API Well No.
30-039-06719-00-S1

10. Field and Pool, or Exploratory
BLANCO MV/ PC

11. County or Parish, and State
RIO ARRIBA COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MCELVAIN ENERGY, INC
Contact: TONY G COOPER
E-Mail: tony.cooper@mcelvain.com

3a. Address
1050 17TH STREET STE 2500
DENVER, CO 80265
3b. Phone No. (include area code)
Ph: 303-893-0933 Ext: 331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 5 T26N R6W NWNW 1090FNL 1090FWL
36.519745 N Lat, 107.495468 W Lon

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
BP	<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.)

The 2016 Bradenhead test on this well indicates a failure. In order to comply with NMAC Rule 19.15.16.11, prevent waste and protect fresh water, McElvain Energy Inc. has been directed by the NMOCD to initiate remedial activity before September 28, 2016. A remedial procedure is attached. The procedure may change depending on the results of the casing pressure testing.

SEE ATTACHED REMEDIAL PROCEDURE

OIL CONS. DIV DIST. 3

SEP 22 2016

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #351563 verified by the BLM Well Information System
For MCELVAIN ENERGY, INC, sent to the Farmington
Committed to AFMSS for processing by WILLIAM TAMBEKOU on 09/19/2016 (16WMT0436SE)**

Name (Printed/Typed) JOE KELLOFF	Title VP PROD & BUSINESS DEVELOPMENT
Signature (Electronic Submission)	Date 09/16/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>WILLIAM TAMBEKOU</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>09/19/2016</u>
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 <u>Farmington</u>

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

NMOCD A

McElvain Energy, Inc.
Scott "B" # 1
September 5, 2016

LOCATION: Unit: "D"
SEC 5 T26S R6W
1090' FNL & 1090' FEL
Rio Arriba, New Mexico

API: 30-039-06719
NM

Lat: *
Long: *

Drilled in 02/15/1952

TD: 3089' **PBTD:** 3089? ' **KB:** **GL:** 6571/6611'
BACKGROUND: Well was found to have high braden head casing pressure.

CURRENT STATUS: Producing.

PURPOSE: Repair well and return to service.

CASING:

8 5/8", # , @ 477' in 10" hole
Cemented with 150 Sxs.
TOC @ surface ?

5 1/2" (4 1/2" weight), 11.6 # , N?@ 3017' in 7 1/4" hole
Cemented in 1 Stage as follows:

1st. Stage: 450 Sxs. No details per NMOCD web site

TOC @

FORMATION TOPS:

Ojo Alomo
Kirtland
Fruitland
P.C.

MD.
,
,
,
3017'

PERFORATIONS:

Open hole Picture Cliffs : 3017' to 3089'

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Notes: Breakdown SNG 150, Frac : 37,800 Gals. Of Crosslinked w/50,000# 10/20 SAND.

Open Hole: Drilled 4 " hole from 3017' to 3089' Cleaned out w/Cable tool (3 7/8" or 4 3/4"???)

TUBING:

Unknown Joints of 1" Reported at 3025' and 3050' +/-

ROD STRING:

None

PROCEDURE:

1. Notify: **NMOCD 24 Hours before work starts on well.** Comply w/ all Local, State and Federal Laws and rules.
2. Prior to Service rig, blow down well to FB tank. Have 400 Bbls. Of fresh water, and 200 Bbls. Of produced water brought to location and store in work tanks. Find and have on hand tools to work with 1" tubing, (could be 1.25" tubing have tools for both on hand)
3. Set Base beam, pump, pit, porta john, and BOP
4. MIRU service rig.
5. Kill casing w/ 30 or more Bbls. Of produced water.
6. ND Wellhead NU BOP. NU mud cross above BOP, stripping rubber Nipple up tubing sub w/ TIW valve.
7. POOH w/ 1" tubing and lay down on trailer for removal from location. Note joints and tally. If all tubing was not recovered note top of fish and change depths on next steps according to top of fish.
8. Have delivered to location 3200' of 2.375' 8 Rd. EUE. Yellow band tubing from McElvain stock in Cave's yard.
9. MU and RIH w/ used bit 5.5" or 4.5" scraper to 3000' see step 7.
10. RIH w/ packer, 8' sub, RBP, and tubing to set RBP @ 3000'. Set packer @ 2970' +/-, Load and test RBP to 600 PSI. w/ good gauge for 30 Minutes, if test is good proceed.
11. Release Packer, Load well bore with produced water and circulate. Shut BOP and Pressure test well to 600 PSI. For 30 Minutes. If test is good proceed to step 19, if it did not continue with step 12.
12. POOH with tubing to 1500' and set packer, test down tubing and casing, Move packer in

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direction of leak and continue to test in this manner until leak is isolated.

13. Note if well is to be squeezed at this point a procedure will be drafted, if well is to be plugged continue.
14. POOH w/ tubing and packer.
15. RU wire line and Run bond log from RBP to surface keeping hole full of produced water if possible.
16. RIH and Retrieve RBP .
17. MU and RIH w/ CIBP and set @ 3000'.
18. Contact the NMOCD for emergency plugging orders and proceed to P&A well. Install marker and reclaim location, per BLM and NMOCD.
19. If well bore tested.
20. MIT test to 600 PSI. and monitor for 30 minutes. Have NMOCD on location and chart, all for compliance.
21. MIRU Wire line and run CBL/CCL/GR. From Top RBP to surface. Note top of cement.
22. RIH w/ tubing, swab well bore down, release and retrieve RBP.
23. MU and RIH w/ CIBP and Set below 100' below top of cement.
24. Shoot squeeze hole at top of cement.
25. Break circulation and circulate fresh water.
26. MU and RIH w/ Cement retainer and tubing to 100' above squeeze holes Set CR.
27. Perform a cement job to cement casing back to surface.
28. WOC.
29. RIH w/ Bit and tubing and Drill out cement, do not drill out CIBP at this point. Pre MIT test to 600 PSI.
30. Set up MIT to be witnessed by NMOCD. And Chart.
31. MIRU air unit.
32. Drill out CIBP. RIH with tools to deepest point (if well has fish in it RU Fishing tools to recover fish) Clean out to PBTD.
33. RD Air unit.

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34. RIH w/ New seating nipple, 2 3/8" tubing and land :

- a. Plunger Lift: Notched collar, Seat nipple and tubing land at top part of open hole
- b. Rod Lift: MU and RIH w/ mud anchor, S.N. and tubing and land in lower part of open hole.

35. Swab well in./ Run pump and rods.

36. RD Service unit, remove equipment off location.

37. Install needed production equipment.

38. Return well to Production.

Note:

NMOCD: Brandon Powell 505-334-6178 Ext. 116

Weatherford, Mark Clark 505-320-3180

LF Well Service, Noe 505-320-1767

Cave Ent. Jimmy 505-325-3401

NOV/Tuboscope : 505-860-9307

Wilson Service Company(MIT) Brandon 505-947-5940

C&J Trucking, Adam 505-860-0297

Tri Energy Service, Porta John, 505-325-7005

Double S Hot shot, Debbie, 505-334-3850

Notifications:

1. 24 Hrs. in advance of beginning work on well, contact Brandon Powell w/ NMOCD.