

Submit Copy 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

Form C-103
October 13, 2009

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

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| 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"/> Gas Well <input checked="" type="checkbox"/> Other | | WELL API NO. 30-039-30562 |
| 2. Name of Operator McElvain Oil & Gas Properties, Inc. | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 3. Address of Operator 1050 17 th St, suite 1800, Denver, CO | | 6. State Oil & Gas Lease No. |
| 4. Well Location Unit Letter <u>G</u> : <u>2262</u> feet from the <u>North</u> line and <u>2307</u> feet from the <u>East</u> line Section <u>11</u> Township <u>25N</u> Range <u>2W</u> NMPM County <u>Rio Arriba</u> | | 7. Lease Name or Unit Agreement Name Badger 11 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7355' GL | | 8. Well Number 1B |
| | | 9. OGRID Number 22044 |
| | | 10. Pool name or Wildcat Blanco Mesa Verde |

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 ☐
DOWNHOLE COMMINGLE ☐

OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Spud ☒

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.

1/19/2010 7:00 AM Spud- Drilled 12 1/4" hole to 599'.

1/20/2010 Continued drilling to 630'. Ran 14 Jts New 9 5/8" 36# Csg. Set @ 625'. Cemented as Follows:
310sx G Cmt 3% CaCl 15.8 ppg, 1.18 y. Good circulation - 12 bbls to surface. Cement fell.

1/21/2010 Test BOP, valves, pipe & rams @ 2000 psi for 10 min, 500 psi for 5 more min. Tested csg @ 600 psi for 30 min.
Tested Kelly & Kelly valve @ 200 psi for 10 min, 500 psi 5 min. Top job surface csg @ 10:15 am w/ 2.2 bbls
G cmt w/ CaCl, 15.8 ppg, 1.18 y
Rig up 8 3/4" bit, tag cmt @ 581'. Drill to 661'. Pick up Directional BHA Drilled to 866'.

RCVD MAR 3 '10
OIL CONS. DIV.
DIST. 3

Spud Date:

1/19/2010

Rig Release Date:

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

SIGNATURE Deborah Powell TITLE Eng Tech Supervisor DATE 2/23/2010

Type or print name Deborah Powell E-mail address: DebbyP@McElvain.com PHONE: 303-893-0933

For State Use Only

APPROVED BY: Kelly G. Powell TITLE Deputy Oil & Gas Inspector, District #3 DATE MAR 11 2010

Conditions of Approval (if any):

REVIEW RULE 19.15.7.14 - THIS REPORT DUE WITHIN 10 DAYS OF
COMMENCEMENT OF DRILLING - FILE IN A TIMELY MANNER.