

RECEIVED

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DEC 01 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Sundry Notices and Reports on Wells

Farmington Field Office
Bureau of Land Management

<p>1. Type of Well Gas</p>	<p>5. Lease Number SF-065557</p>
<p>2. Name of Operator McElvain Oil & Gas Properties Inc</p>	<p>6. If Indian, All. or Tribe Name</p>
<p>3. Address & Phone No. of Operator 1050 17th Street, Suite 2500 Denver, CO 80265-1807</p>	<p>7. Unit Agreement Name</p>
<p>Location of Well, Footage, Sec., T, R, M 1790' FNL & 1680' FWL, Section 12, T-29-N, R-12-W,</p>	<p>8. Well Name & Number Payne #2</p>
	<p>9. API Well No. 30-045-22119</p>
	<p>10. Field and Pool Fulcher Kutz</p>
	<p>11. County & State San Juan County, NM</p>

12. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OTHER DATA

Type of Submission	Type of Action	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut off
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other -	

13. Describe Proposed or Completed Operations

McElvain completed Plug and Abandon operations on the above well as per the attached P&A report on October 30th, 2010.

RCVD DEC 6 '10

OIL CONS. DIV.
DIST. 3

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

Signed Jim McKinney Title _____ Date 11/24/2010
Jim McKinney

(This space for Federal or State Office use)

APPROVED BY _____ Title _____ Date _____

CONDITION OF APPROVAL, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly 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.

DEC 01 2010

NMOCDC

FARMINGTON FIELD OFFICE

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.

October 31, 2010

Payne #2

Page 1 of 1

1790' FNL & 1680' FWL, Section 12, T-29-N, R-12-W

San Juan County, NM

Lease Number: NMSF-065557

API#30-045-22119

Plug and Abandonment Report

Notified BLM

Plugging Summary:

- 10/28/10 Road cementing equipment to location. Check well pressures: casing, 40 PSI; bradenhead, 5 PSI. Blow down bradenhead. Casing blew down after 30 minutes. Pump 20 bbls of water down casing. Casing went on a vacuum pumping 3 bpm at less than 50 PSI. Drop 6 frac balls and pump 15 bbls of water; no blow out bradenhead.
Plug #1 mix and pump 55 sxs Class B cement (64.9 cf) down 2.875" casing from 1976' to 343' to cover the Pictured Cliffs interval and the Fruitland, Kirtland, Ojo Alamo tops. Note: dropped 10 frac balls after pumping 10 sxs cement; pressure did not increase. SI well. Road cementing equipment back to Carroll Cornell #6. SI well. SDFD.
- 10/29/10 Road rig and equipment to location. RU. Attempt to pressure test casing to 800 PSI; bled down to 600 PSI in 2 minutes. TIH with tubing and tag cement at low at 715' KB. Establish circulation down tubing and out casing with ¼ bbl of water.
Plug #1b mix and pump 12 sxs Class B cement (14.16 cf) from 715' to 280'; displace with .3 bbls of water.
TOH and LD tubing. SI well. SDFD. RD. Road rig and equipment back to Carroll Cornell #6.
- 10/30/10 RIH with wireline and tag cement at 339'. Perforate 2 bi-wire squeeze holes at 151'. Establish circulation down 2.875" casing and out bradenhead with 7.5 bbls of water. Circulate well clean with additional 14 bbls of water.
Plug #2 mix and pump 149 sxs Class B cement (57.82 cf) down 2.875" casing from 151' to surface; circulate good cement out bradenhead valve.
SI well and WOC. Move cementing equipment off location. Welder will be on location 11/1/10 to cut off wellhead and set P&A marker.

Mike Gilbreath, BLM representative, was on location.