

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OM B No. 1004-0137  
Expires: March 31, 2007

## 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.

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

DEC 13 2010

2. Name of Operator

McElvain Oil &amp; Gas Properties, Inc.

Farmington Field Office

Bureau of Land Management

3a. Address

PO Box 5610 Farmington, NM 87499

3b. Phone No. (include area code)

505-327-2679

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 11 T25N R2W Lat. 36.41347\*N Long. 107.01841\*W

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

TYPE OF SUBMISSION	TYPE OF ACTION			
Notice of Intent	Acidize	Deepen	Production (Start/Resume)	Water Shut-Off
	Alter Casing	Fracture Treat	Reclamation	Well Integrity
Subsequent Report	Casing Repair	New Construction	Recomplete	Other <u>First delivery</u>
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	
	Convert to Injection	Plug Back	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.)

Date: 12-8-2010

Time: 9:40 am

Tubing: 1760

Casing: 1760

IFR: 534 mcf/d

Meter #: 88879-01

Transporter: Enterprise

Orifice: 1.25

Spring: 500

Range: 150

Tube: 3.081

RCVD DEC 22 '10

OIL CONS. DIV.

DIST. 3

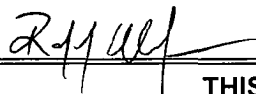
14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Randy J. Elledge

Title Production Foreman

Signature



Date 12-8-10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Ar2ravc~

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.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowing 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.

(Instructions on page 2)

NMOCD

Site Security Plan  
For  
McElvain Oil & Gas Properties, Inc.

This plan is to be maintained at McElvain's office in Denver, Colorado. The address is 1050 17<sup>th</sup> Street, Suite 1800, Denver, Colorado 80265. The telephone number is 303-893-0933.

#### INITIAL INSPECTION PROGRAM

An initial inspection has been made of these facilities to insure that all the provisions have been adhered to.

#### SELF INSPECTION PROGRAM

Monthly inspections will be performed and a record of any problems found will be maintained and corrected. The inspection will consist of verifying tank gauges, inspection of tank seals, and a check of the gas meter and an inspection of the production equipment for safe and proper operation.

#### SEALS AND RUN TICKETS

The pumper will keep a record of seals removed and installed and the reason for such action on the current monthly gauge and book report. These records will be retained for a period of six years at the main office.

The transporter/purchaser shall complete a run ticket prior to removing any oil from the lease. The run ticket shall include the name of the seller, the well name, the lease number, the location of the tank (quarter/quarter section, section, township, and range), the date, the tank number, tank capacity, opening and closing gauges with temperature, number of seal installed, observed gravity, BS&W, signature of gauger and the pumper.

#### THEFT/MISHANDLING OF OIL

Incidents of theft or mishandling of oil will be reported to the Bureau of Land Managements district office on the next business day after the discovery. A written report will be filed within ten business days. The report will contain the following information: Company name, name of person making report, well name, lease number, location being reported (quarter/quarter section, section, township, range), estimated volumes involved, description of what happened, the individual who discovered the incident, the date and time of discovery, and local law enforcement agencies that were notified.

## WELL IDENTIFICATION

The well site will be clearly identified with a sign that contains the operator, lease number, section, township, range, county, state and the well name and numbers.

## OIL STORAGE FACILITIES

GIANT WILL STRAP NEW OIL STORAGE TANKS ONLY AFTER THEY ARE 2/3RD FULL.

All storage facilities will be clearly identified with the assigned tank number, and all vacuum and pressure seals will be in place. Accumulation of oil will be sold in a timely manner.

## SITE FACILITY DIAGRAM

A current site facility diagram has been filed with the Bureau of Land Management in Farmington, New Mexico.

All new facilities will have a site plan submitted within thirty days of final construction.

## WELL AND LEASES SUBJECT TO THIS PLAN

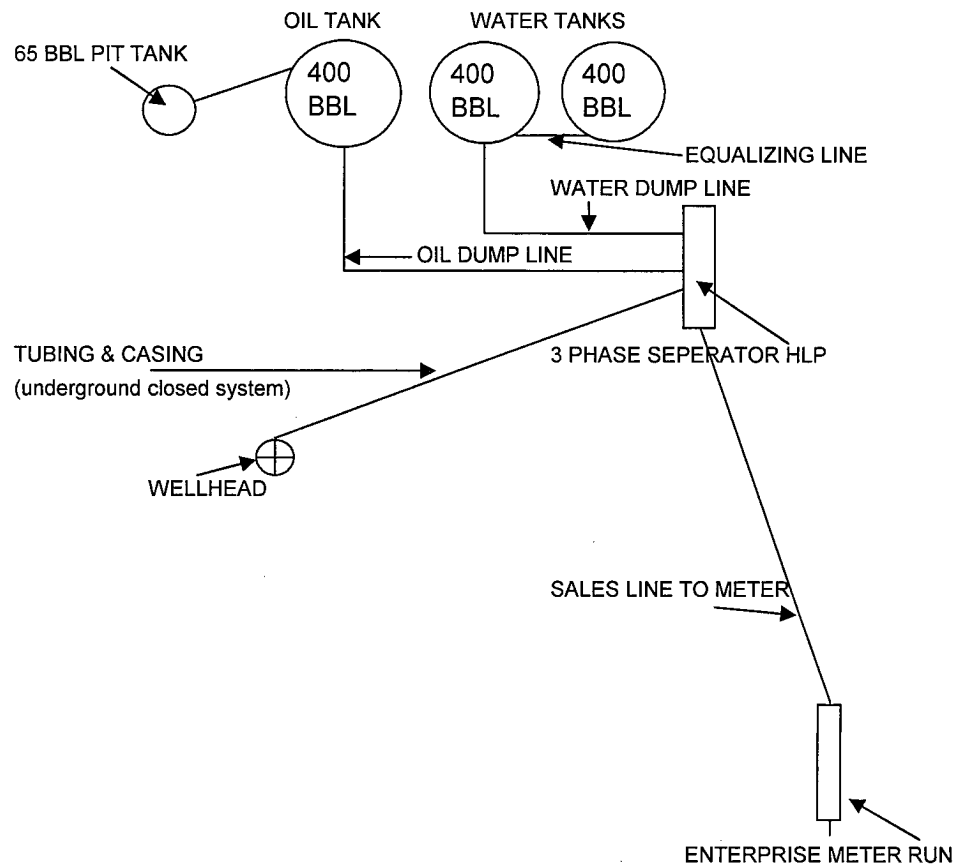
See Table #1

[illegible]

# McElvain Oil & Gas Properties, Inc.



## BADGER 11 #1B



## BADGER 11 #1B

Lease - Fee

API # 30-039-3562

2262' FNL 2307' FEL (surface)

1980' FNL 660' FWL (BHL)

Rio Arriba County, New Mexico

Lat 36.41347N Long 107.01841W

S11 T25N R2W