

Submit 1 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

WELL API NO.
30-045-35209

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
38390

7. Lease Name or Unit Agreement Name
Pepper

8. Well Number 1 S

9. OGRID Number 22044

10. Pool name or Wildcat
Basin Fruitlan Coal

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 ☐ Gas Well ☒ Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address of Operator
1050 17th St., Suite 2500, Denver, CO 80265

4. Well Location

Unit Letter E : 1980 feet from the North line and 684 feet from the West line
Section 32 Township 31 N Range 13 W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5702

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

1/31/2011 Spud well @ 7:30 am. Drill 12 1/4" hole to 225'.

2/1-4/2011 Continued drilling to 522' TD.

2/4/2011 Ran 12 Jts 8 5/8" 24# J-55 Csg. Set @ 508.8'. Cemented as follows:
350 sx Type III cmt, 14.6 ppg, 1.4 y.
Circulated 20 bbls cmt to Surface.

2/5/2011 Test BOP/ pipe rams, blind rams, choke man, @ 2000 psi high- all held. And 200 psi low - all held.
Test csg @ 600 psi for 30 minutes- csg held.
Continued drilling 7 7/8" hole to 585'.

2/6-7/2011 Continued drilling to 1065'.

RCVD FEB 10 '11
OIL CONS. DIV.

DIST. 3

Spud Date: 1/31/2011

Rig Release Date:

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

SIGNATURE Debby Powell TITLE Eng Tech Manager DATE 2/7/2011

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

For State Use Only

APPROVED BY: Moussa Kachitang TITLE Deputy Oil & Gas Inspector, District #3 DATE FEB 21 2011
Conditions of Approval (if any):