

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. 30-045-35210
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 38390
7. Lease Name or Unit Agreement Name Pepper
8. Well Number 2
9. OGRID Number 22044
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5635

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 17<sup>th</sup> St., Suite 2500, Denver, CO 80265

4. Well Location  
Unit Letter M : 1260 feet from the South line and 665 feet from the West line  
Section 32 Township 31 N Range 13 W NMPM County San Juan

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input checked="" type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

2/21-24/2011 Continued Drilling. TD @ 1702' on 2/24/2011.  
2/25/2011 Ran 43 Jts 5 1/2" 5.5# J-55 LTC CSG. Landed @ 1692'.  
Cemented as Follows:  
Lead: 135 sx Type III cmt, 11.8 ppg, 2.55 y.  
Tail: 90 sx Type III cmt, 14.3 ppg, 1.45 y.  
Circulated 19 bbls cmt to Surface.  
2/25/2011 Rig Released @ 18:00

RCVD MAR 2 '11  
OIL CONS. DIV.  
DIST. 3

Pressure test on next report.

Spud Date: 2/16/2011 Rig Release Date: 2/25/2011

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 2/28/2011

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

For State Use Only

APPROVED BY: Monica Kuehling TITLE Deputy Oil & Gas Inspector, District #3 DATE MAR 11 2011

Conditions of Approval (if any):