

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 <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 1 S
9. OGRID Number 22044
10. Pool name or Wildcat Basin Fruitland 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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator McElvain Oil & Gas Properties, Inc.	
3. Address of Operator 1050 17 th St, Suite 2500, Denver, CO 80265	
4. Well Location Unit Letter <u>E</u> : <u>1980</u> feet from the <u>North</u> line and <u>684</u> feet from the <u>West</u> line Section <u>32</u> Township <u>31 N</u> Range <u>13 W</u> NMPM County <u>San Juan</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5702' GR	

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: Completion ☒

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.

3/28/2011 MIRU - RUWL - GSL, CBL. Good bond thru out. Loggers **PBTD @ 1,717.5'**.
3/29/2011 Pressured test csg to 3,000 psi 30 minutes. Held. RUWL- **Perf Lower Fruitland Coal** 1,632' to 1,622', 4 spf, 0.43", 40 shots.
3/30/2011 RU BJ Services - Pressure test line w/ 4,200 psi. Perform Acid BD w/ 500 gal 15% HCL.
3/31/2011 Test lines w/ 5000 psi. **FRAC Lower Fruitland Coal** w/50,100# 16/30 Brown Sand in 342 bbls 70Q N2 Foam.
4/01/2011 Flow back Lower FC frac.
4/02/2011 Made 49 swab runs, recovered 165 bbls water. SDFWE.
4/04/2011 RUWL, set RBP @ 1,610'. Pressure test csg w/ 3000 psi - held. Dump 5 gal snd on RBP. **Perf Middle Fruitland Coal** 1,571'-1,567' & 1,544'-1,534', 4 spf, 0.43", 56 shots. RU BJ, pressure test w/ 4,000 psi. Acid 500 gal 15% HCL.
4/05/2011 Test lines to 4,640 psi. **FRAC Middle Fruitland Coal** w/75,160# 16/30 Brown Sand in 499 bbls 70Q N2 Foam. Flowback frac on 3/8" chk. Recovered 111 bbls.

RCVD APR 20 '11
OIL CONS. DIV.

Completion operations continued on next page.

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

DIST. 3

SIGNATURE J. M. McKinney, Jr. TITLE Operations Engineer DATE 04/18/2011

Type or print name J. M. McKinney, Jr. E-mail address: jimm@mcelvain.com PHONE: 303-893-0933, x379

For State Use Only

APPROVED BY: Monica Kahlberg TITLE Deputy Oil & Gas Inspector, District #3 DATE APR 20 2011

Conditions of Approval (if any):

Spud Date: 1/31/2011

Rig Release Date: 2/13/2011

Completion operations continued

- 4/06/2011 Flowback frac, recovered 60 bbls. RIH with tbg, clean out to RBP @1,610'. Made 15 swab runs, recovered 44 bbls.
- 4/07/2011 Open well on 2" chk, flow back 55 bbls.
- 4/08/2011 Latch RBP @1,610' & TOH w/same. RUWLU, RIH and set RBP @1,528', test to 3,000 psi, dump bail
5 gal sand on RBP. **Perf Upper Fruitland Coal** 1,503' -1,501', 1,492'-1,490, 1,470'-1,461', 4spf, 0.43", 52 shots.
RDWLU, TIH, set pkr @ 1,371'. Acid w/ 500 gal 15 % HCL, Reset pkr @ 1,403' and pump in. Made 4 swab runs, rec 12
bbls. SDFWE.
- 4/12/2011 RU BJ, Test lines to 4,112 psi. **FRAC Upper Fruitland Coal** w/63,140# 16/30 Brown Sand in 387 bbls 70Q N2 Foam.
- 4/13/2011 Flow back frac on 3/4" chk. RIH and clean out to RBP @1,528'. Latch & TOH w/RBP. RIH w/ 53 Jts new 2 7/8", 6.5#, J-55
tbg, clean out to **PBTD @1,717'**, LD 5 jts. Made 10 swab runs from 1,564', rec 32 bbls.
- 4/14/2011 Swab and flow well. Recovered 260 bbls.
- 4/15/2011 Made 7 swab runs, rec 70 bbls. TOH, MU & RIH with tapped plug, MA, 3' perf sub, SN & 51 jts 2 7/8", 6.5#, J-55 Tbg.
Land tbg @1,701'. RIH with 2.5" X 2" X 12' RWAC pump, 3' stabilizer, 2 X 1 1/4" K Bars, 3' stabilizer, 2 X 1 1/4" K Bars,
3' stabilizer, 20 X 7/8' rods with snap on guides, 41 X 7/8" plain rods, 8' sub, 4' sub, 1-1/4" X 22' polished rod with liner.
Lufkin PU 160.