

| Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, 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 Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 | | | Form C-105 July 17, 2008 | | | | | | | | | |
|---|--|---|--|---|---|---|----------------|-------------------------------|-----------------|--|-----------------|--|-----------------|--|
| | | 1. WELL API NO. 30-045-35209 | | | | | | | | | | | | |
| | | 2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN | | | | | | | | | | | | |
| | | 3. State Oil & Gas Lease No. 38390 | | | | | | | | | | | | |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | | | | | | | | | | |
| 4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) | | | | 5. Lease Name or Unit Agreement Name Pepper | | | | | | | | | | |
| | | | | 6. Well Number: #15 <div style="text-align: right; font-weight: bold;">RCVD APR 20 '11</div> | | | | | | | | | | |
| 7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER OIL CONS. DIV. | | | | | | | | | | | | | | |
| 8. Name of Operator McElvain Oil & Gas Properties, Inc. | | | | 9. OGRID 22044 DIST. 3 | | | | | | | | | | |
| 10. Address of Operator 1050 17 th Street, Suite 2500, Denver, CO 80265 | | | | 11. Pool name or Wildcat Basin Fruitland Coal | | | | | | | | | | |
| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | | | | | | | | |
| Surface: | E | 32 | 31N | 13W | | 1,980 | | | | | | | | |
| BH: | | | | | | | | | | | | | | |
| 13. Date Spudded 1/31/2011 | 14. Date T.D. Reached 2/10/2011 | 15. Date Rig Released 2/13/2011 | | 16. Date Completed (Ready to Produce) 4/15/2011 | | 17. Elevations (DF and RKB, RT, GR, etc.) 5,702' GR | | | | | | | | |
| 18. Total Measured Depth of Well 1,771' | | 19. Plug Back Measured Depth 1,717' | | 20. Was Directional Survey Made? NO | | 21. Type Electric and Other Logs Run GSL, CBL | | | | | | | | |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name (1,461' - 70', 1,490' - 92', 1,501' - 03'); (1,534' - 44', 1,567' - 71'); (1,622' - 32') Basin Fruitland Coal | | | | | | | | | | | | | | |
| 23. CASING RECORD (Report all strings set in well) | | | | | | | | | | | | | | |
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED | | | | | | | | | |
| 8 5/8" | 24# | 508.8' | 12 1/4" | 350 sx | | | | | | | | | | |
| 5 1/2" | 15.5# | 1,761' | 7 7/8" | 210 sx | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| 24. LINER RECORD | | | | | | | | | | | | | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| 26. Perforation record (interval, size, and number) 1,632'-1,622' 4 spf, 0.43" 40 shots 1,571'-1,567', 1,544' - 1,534' 4 spf 0.43" 56 shots 1,503'-1,501', 1,492' - 1,490', 1,470' - 1,461' 4 spf 0.43" 52 shots | | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>1,632' - 1,622'</td> <td>500 gal 15% HCL; 50,100# 16/30 in 342 bbls 70Q N2 Foam</td> </tr> <tr> <td>1,571' - 1,534'</td> <td>500 gal 15% HCL; 75,160# 16/30 in 499 bbls 70Q N2 Foam</td> </tr> <tr> <td>1,503' - 1,461'</td> <td>500 gal 15% HCL; 63,140# 16/30 in 387 bbls 70Q N2 Foam</td> </tr> </table> | | | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 1,632' - 1,622' | 500 gal 15% HCL; 50,100# 16/30 in 342 bbls 70Q N2 Foam | 1,571' - 1,534' | 500 gal 15% HCL; 75,160# 16/30 in 499 bbls 70Q N2 Foam | 1,503' - 1,461' | 500 gal 15% HCL; 63,140# 16/30 in 387 bbls 70Q N2 Foam |
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| 28. PRODUCTION | | | | | | | | | | | | | | |
| Date First Production TBD | | Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing | | | Well Status (Prod. or Shut-in) Shut-In | | | | | | | | | |
| Date of Test 4/14/2011 | Hours Tested 5 | Choke Size 2" | Prod'n For Test Period | Oil - Bbl 0 | Gas - MCF TSTM | Water - Bbl. 105 | | | | | | | | |
| Flow Tubing Press. 10 PSI | Casing Pressure 290 PSI | Calculated 24-Hour Rate | Oil - Bbl. 0 | Gas - MCF TSTM | Water - Bbl. 504 | Oil Gravity - API - (Corr.) | | | | | | | | |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.) | | | | | | 30. Test Witnessed By | | | | | | | | |
| 31. List Attachments Deviation Survey | | | | | | | | | | | | | | |
| 32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit. | | | | | | | | | | | | | | |
| 33. If an on-site burial was used at the well, report the exact location of the on-site burial: | | | | | | | | | | | | | | |
| Latitude | | | Longitude | | NAD 1927 1983 | | | | | | | | | |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief | | | | | | | | | | | | | | |
| Signature <i>J. M. McKinney Jr.</i> | | | Printed Name J. M. McKinney, Jr. Title Operations Engineer Date 04/18/2011 | | | | | | | | | | | |
| E-mail Address jimm@mcelvain.com | | | | | | | | | | | | | | |

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INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico | | Northwestern New Mexico | |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy | T. Canyon | T. Ojo Alamo | T. Penn A " |
| T. Salt | T. Strawn | T. Kirtland 940 | T. Penn. "B" |
| B. Salt | T. Atoka | T. Fruitland 1340 | T. Penn. "C" |
| T. Yates | T. Miss | T. Pictured Cliffs 1640 | T. Penn. "D" |
| T. 7 Rivers | T. Devonian | T. Cliff House | T. Leadville |
| T. Queen | T. Silurian | T. Menefee | T. Madison |
| T. Grayburg | T. Montoya | T. Point Lookout | T. Elbert |
| T. San Andres | T. Simpson | T. Mancos | T. McCracken |
| T. Glorieta | T. McKee | T. Gallup | T. Ignacio Otzte |
| T. Paddock | T. Ellenburger | Base Greenhorn | T.Granite |
| T. Blinebry | T. Gr. Wash | T. Dakota | |
| T.Tubb | T. Delaware Sand | T. Morrison | |
| T. Drinkard | T. Bone Springs | T.Todilto | |
| T. Abo | T. | T. Entrada | |
| T. Wolfcamp | T. | T. Wingate | |
| T. Penn | T. | T. Chinle | |
| T. Cisco (Bough C) | T. | T. Permian | |

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|
| | | | |