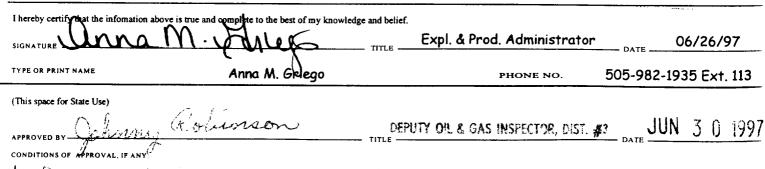
+Submit 3 Copies to appropriate District office	State of New Mexico Energy, Minerals md Natoral Resources Deponent		Fonn C-103 Revbed 1-1z89
District I P.O. Box 1980, Hobbs NM 88240	OIL CONSERVATIO		WELL API NO.
District II P.O. Dower DD, Artesia, NM 88210		M 87505	30-039-05260
DISTRICT III		/	5. Indicate Type of Lease STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410			6. State Oil & Gas Lease No.
		·····	E-9055
(DO NOT USE THIS FORM FOR PRODUCTION OF THE COMMON	CES AND REPORTS ON WE OPOSALS TO DRILL OR TO DEEPE RVOIR. USE •APPLICATION FOR PI 101) FOR SUCH PROPOSALS.)	N OR PLUG BACK TO A	7. Lease Name or Unit Agreement Name
1. Type of Well: Oil GAS WELL GAS WELL	OIHER		State
2. NAme of Operator	T		8. Well No.
McElvain Oil & Gas Properties 3. Address of Operator	, Inc.	0.00	9. Pool name or Wildcat
P.O. Box 2148, Santa Fe, NM	87504-2148		Escrito Gallup
4. Well Location			
Unit Letter D 990	Feet From The North	Line and 990	Feet From The West Li
Section 36	Township 24N R	ange 7W	NMPM Rio Arriba County
	10. Elevation (Show wheth	er DF, RKB, RT, GR, ctc.)	6764'
Check A NOTICE OF INT	Appropriate Box to Indicate 1 ENTION TO:		eport, or Other Data SEQUENT REPORT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WORK	ALTERING CASING
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRILLING	OPNS. PLUG AND ABANDONMENT
PULL OR ALTER CASING		CASING TEST AND CE	MENT JOB
OTHER:		OTHER Attempt t	o establish commercial production.
12. Describe Proposed or Completed Operat work) SEE RULE 1103.	ions (Clearly state all pertinent details, a.	nd give pertinent dates, includ	ling estimated date of starting any proposed
See attached.			
We are continuing to observe p	ressure readings on this wel	I.	
	_		
			DECENVED M Jun 3 0 1997
			OIL CON. DIO DIST. 3



McELVAIN OIL and GAS PROPERTIES, INC

WARNER STATE #1 REPAIR REPORT

MAY 3 7 1897

May 19, 1997

Move Big A #33 and equipment from Miller A #1. Spot equipment. RUSU. SITP: 0 psig. SICP: 0 psig. ND wellhead. Attempt to move tubing out of wellhead slips. Tubing would not move. Work tubing. Pull to 40,000#. Slips came free. NU BOP. Work tubing to release AD-1 packer. Packer came free. POOH with tubing and packer. Pulling over string weight by approximately 20,000#. POOH with 10 joints with standard couplings. Tubing had slimhole couplings. Call for slip grip elevators. SWIFN.

May 20, 1997

SITP: 0 psig. SICP: 0 psig.

POOH with tubing. Slimhole and standard couplings mixed throughout the string. Tubing wet on 84 th joint. Drilling mud on outside of pipe starting on 88 th joint. Joints 92 and 93 plugged with shale and drilling mud. Lay down remainder of tubing (81 joints). Inside of tubing coated with heavy mud and shale. No corrosion or scale on tubing. RU pump and tank. Clean out tubing with water. RIH with 3 7/8" bit, casing scraper, seating nipple and tubing to 2539' KB. Did not hit any tight spots in casing. RU to circulate. Establish circulation with 12 bbls. Calculated fluid level 900'. Circulate hole clean. RIH with remainder of tubing. Tag fill at 5444' KB. RU to circulate. Establish circulation. Hole remained full while running in with tubing. Well started flowing out of bradenhead while circulating. Plug bradenhead. Establish circulation and circulate drilling mud out of hole. Circulate down to PBTD at 5521' KB. Recovered drilling mud, shale and cement. Circulate hole clean. POOH with tubing and BHA. SWIFN.

May 21, 1997

SICP: 0 psig.

RIH with bar collar, 1 joint, seating nipple, 9 joints, AD-1 packer and 163 joints. EOT @ 5423' KB. SN @ 5385' KB. Packer @ 5103' KB. ND BOP. NU wellhead. Set packer and pull 12,000# over string weight. Land tubing in wellhead slips. RU to swab. IFL: 300' Swab well down to 4700' in 11 runs and recovered 20 bbls (tubing volume) of water. Haul one load to disposal. Make two more swab runs with no fluid recovery but well flowing a small amount of gas. Make swab run every ½ hour. Recover small amount of green oil and gas. Fluid level fluctuating between 4400 and 4800 each run. Gas flow continuous between runs. Recovered 2½ bbls in 2½ hours. Gas flow appears to be getting stronger after each run. Leave well flowing on 1/4" choke overnight.

May 22,1997

FTP: 0 psig. Light vapors only.

RU to swab. IFL: 2800'. Make 4 swab runs and swab dry. Recover 6 bbls green oil. Make a swab run every ½ hour for 3 hours. Minimal fluid recovery and a small blow of gas between runs. RD swab equipment. Move oil from rig pit to production tank. Haul 2 loads to disposal. RDSU and release rig.

NOTE: Master Valve on wellhead leaking.
Swab will not go below AD-1 packer depth