

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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OCD-HOBBS2010  
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FORM APPROVED  
OMB NO. 1004-0137  
Expires: July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other  
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,  
Other: \_\_\_\_\_

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

3. Address 1050 - 17th Street, Suite 1800 Denver, Colorado 80265

3a. Phone No. (include area code)  
(303) 893-0933

4. Location of Well (Report location clearly and in accordance with Federal requirements)  
2240' FSL & 990' FWL (NWSW) Sec. 31, T18S-R34E  
At surface  
same  
At top prod. interval reported below  
At total depth same

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5. Lease Serial No.  
LC-069457

6. If Indian, Allottee or Tribe Name  
na

7. Unit or CA Agreement Name and No.  
na

8. Lease Name and Well No.  
McElvain # 10

9. API Well No.  
30-025-39520

10. Field and Pool or Exploratory  
EK - Bone Spring

11. Sec., T., R., M., on Block and  
Survey or Area Section 31, T18S-R34E

12. County or Parish  
Lea County

13. State  
NM

14. Date Spudded  
01/13/2010

15. Date T.D. Reached  
02/06/2010

16. Date Completed 03/26/2010  
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)\*  
3837' GLE, 3854' KB

18. Total Depth. MD 9840' KB  
TVD 9840' KB

19. Plug Back T.D.: MD 9748' KB  
TVD 9748' KB

20. Depth Bridge Plug Set: MD na  
TVD na

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)  
Density/Neutron/HRLA/GR - Openhole Logs. CBL - Cased Hole Log

22. Was well cored? ☒ No ☐ Yes (Submit analysis)  
Was DST run? ☒ No ☐ Yes (Submit report)  
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks & Type of Cement	Slurry Vol (BBL)	Cement Top*	Amount Pulled
26"	20" Conduct		Surface	40'				Surface	None
17.5"	13.375"/H&J	48&54.5	Surface	1,699'	na	1,430 sx Type C	427 bbls	Surface	None
11"	8.625" J55	32#	Surface	3,460'	na	1,180 sx Type C	369 bbls	Surface	None
7.875"	5.50" I80	17#	Surface	9,436'	6,782'	560 sx Type H	126 bbls	6782 - Stg 1	None
						900 sx Type H	271 bbls	Surface - Stg 2	None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875"	9,691' KB	na						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) 2nd Bone Spring Sand	8202' KB	> 9,840'	9,549' - 9,598' KB	0.40"	48	Producing
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
9,549' - 9,598' KB	1,200 gals 10% NeFe HCl Acid. Frac w/130,700 lbs 20/40 from 1.0 to 4.0 ppg sand in 104,847 gals 3% KCl

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
	3/22/10	4.0	→	35	TSTM	12			Swabbing
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→					Shut in & waiting on pipe line	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

MAY 22 2010

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

\*(See instructions and spaces for additional data on page 2)

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## 28b Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

## 29. Disposition of Gas (Solid, used for fuel, vented, etc.)

The well will be turned upon arrival of a gas pipe line and the gas will be sold.

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc	Name	Top
					Meas Depth
Penrose	4,682 KB	4,842 KB	Gross Interval - Possible oil, gas & water (no cores or DSTs)	Salt	2995
2nd Delaware Sand	5,616 KB	5,632 KB	Possible oil, gas & water (no cores or DSTs)	Yates	3288
Brushy Canyon	7,340 KB	7,402 KB	Gross Interval - Possible oil, gas & water (no cores or DSTs)	Queen	4400
1st Bone Spring Sand	9,030 KB	9,056 KB	Possible oil, gas & water (no cores or DSTs)	Penrose	4663
2nd Bone Spring Sand	9,548 KB	9,598 KB	Oil, gas & water (no cores or DSTs) - Current Completed Interval	San Andres	5032
				Delaware	5456
				Bone Spring	8202

## 32. Additional remarks (include plugging procedure):

Drill pad construction began on 12/28/09. 40' of 20" conductor was set in a 26" hole and cemented to surface on 1/7/10. The well was spud w/a 17.5" bit on 1/13/10. The surface hole was drilled to 1,700' before landing new 13.375" casing @ 1,699' & cementing to surface in a single stage on 1/16/10. An 11" intermediate hole was drilled to 3,460' and new 8.625" intermediate casing was landed @ 3454 & cemented to surface in a single stage on 1/20/10. A 7.875" production hole was drilled to 9,840' and reached TD on 2/6/10 w/9.2 ppg mud. Max hole inclination for the well was 2.7 degrees. The well was logged in 1 run and new 5.5" casing was run to 9,836' & cemented to surface in 2 stages through a DV tool located @ 6,782'. Silver Oak Drilling Rig # 9 was released on 2/9/10. There was no lost circulation or inflows into the wellbore during drilling operations. Completion operations began on 2/22/10. The well was bond logged on 2/24/10 verifying cement to surface. The 2nd Bone Spring sand was perforated over the gross interval from 9,549-9,598 before being acidized on 2/27/10 and fracture stimulated on 3/10/10. The well was swab tested and the sand cleaned out before its shut-in on 3/26/10 to build a battery & construct a gas pipe line. The well will be placed on rod pump and turned on upon installation of a gas pipe line. Estimated production start in June 2010.

PLEASE HOLD ALL INFORMATION CONFIDENTIAL FOR THE MAXIMUM ALLOWABLE PERIOD OF TIME.

## 33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd)     
 ☐ Geologic Report     
 ☐ DST Report     
 ☐ Directional Survey  
☐ Sundry Notice for plugging and cement verification     
 ☐ Core Analysis     
☒ Other: Cement Bond Log

## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) E. Reed FischerTitle Senior Operations EngineerSignature Date 04/23/2010

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

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