

Form B7605  
(April 2004)

# CONFIDENTIAL

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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JUL 06 2011

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1 Type of Well ☒ Oil Well ☐ Gas Well ☐ Other

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

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

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

4 Location of Well (Footage, Sec, T., R., M., or Survey Description)  
**2240' FSL & 990' FWL (NWSW) Section 31, T18S-R34E**

5 Lease Serial No.  
**LC-069457**

6 If Indian, Allottee or Tribe Name  
**na**

7 If Unit or CA/Agreement, Name and/or No  
**na**

8 Well Name and No.  
**McElvain # 10**

9. API Well No.  
**30-025-39520**

10 Field and Pool, or Exploratory Area  
**EK - Bone Spring**

11 County or Parish, State  
**Lea County, New Mexico**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>reaching TD, setting</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>casing &amp; Rig Release</b>

- 13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**Notice of Reaching Total Depth, Setting & Cementing Production Casing & Drilling Rig Release:**

A 7.875" bit was utilized on the production hole to drill out from under the 8.625" intermediate casing on January 21, 2010. The production hole reached a TD of 9,840' KB at 23:15 on Feb. 6, 2010 with 9.2 ppg mud. There were no cores, tests, lost circulation or flows into the wellbore during the course of drilling this production hole and the maximum well inclination was 2.7 degrees at 8,364' declining to 1.3 degrees @ 9,760'. The production hole was logged in one run on Feb. 7, 2010 with Density/Neutron/HRLA/GR. 223 joints of new 5-1/2", 17#, 180, LT&C production casing were run on Feb. 8, 2010 and landed at 9,836' in the Bone Spring formation. The string included a stage tool at 6,782'. Haliburton cemented the casing in 2 stages with cement volumes determined by caliper log + 20% excess. Stage 1 was comprised of a single blend of 560 sx VersaCem (Class 'H') mixed @ 14.4 ppg & 1.27 Yield. Following STAGE 1 the DV too opened & 66 sx circulated off the tool. The hole was circulated 4 hrs before pumping STAGE 2 which consisted of a 330 sx EconoCem Lead slurry mixed @ 11.9 ppg & 2.42 yield and 570 sx of VersaCem Tail slurry mixed @ 14.4 ppg & 1.27 Yield. The 2nd stage tail was designed to reach 4,100' and the lead was designed to reach surface. 39 sx of the 2nd stage lead were returned to surface and there was no fallback. Each stage was pumped with full returns. The casing was landed & cut-off on Feb. 9, 2010. Silver Oak Drilling Rig # 9 was released @ 17:00 on 2/9/10 and moved off location on 2/11/10.

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

14 I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**E. Reed Fischer**

Title **Senior Operations Engineer**

Signature

Date

03/19/2010

ACCEPTED FOR RECORD

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

APR 3 2010

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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.

(Instructions on page 2)

JUL 07 2011