

District I - (575) 393-6161

1625 N French Dr., Hobbs, NM 88240

District II - (575) 748-1283

811 S First St., Artesia, NM 88210

District III - (505) 334-6178

1000 Rio Brazos Rd., Aztec, NM 87410

District IV - (505) 476-3460

1220 S. St. Francis Dr., Santa Fe, NM

87505

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

AUG 19 2011

RECEIVED

WELL API NO.

30-025-39521

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

VB-14640000

7. Lease Name or Unit Agreement Name

Caprock State "27"

8. Well Number

1

9. OGRID Number

22044

10. Pool name or Wildcat

Airstrip, Bone Spring

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator

McElvain Oil & Gas Properties, Inc.

3. Address of Operator

1050 - 17th Street, Suite 2500 Denver, Colorado 80265

4. Well Location

Unit Letter N : 420 feet from the South line and 1980 feet from the West line

Section 27 Township 18S Range 34E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4009' Ground Level

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: Request to Extend Previously Approved APD ☒

OTHER: ☐

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.

McElvain Oil & Gas Properties, Inc. (MOG) received an approved APD on September 24, 2009 to drill the Caprock State "27" # 1. The well has not been spud and no activity, other than staking, has occurred at the proposed location. MOG is requesting an extension of the approved APD for the maximum allowable period of time as we continue to evaluate our drilling plans for this immediate area.

14r

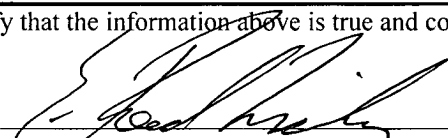
Spud Date:

Rig Release Date:

APD Exp 09-24-12

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

SIGNATURE



TITLE Senior Operations Engineer

DATE August 17, 2011

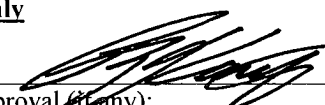
Type or print name E. Reed Fischer

E-mail address: reedf@mcelvain.com

PHONE: (303) 893-0933 xt 330

For State Use Only

APPROVED BY:



TITLE

PETROLEUM ENGINEER

DATE

AUG 22 2011

Conditions of Approval (if any):