

OCD-HOBBS
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

SEP 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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No LC-0245247
2. Name of Operator McElvain Oil & Gas Properties, Inc.		6. If Indian, Allottee or Tribe Name na
3a. Address 1050 - 17th Street, Suite 2500 Denver, Colorado 80265	3b. Phone No. (include area code) 303-893-0933	7. If Unit or CA/Agreement, Name and/or No na
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 900' FNL & 1170' FWL (NWNW) Sec. 31, T18S-R34E		8. Well Name and No. McElvain # 11
		9. API Well No 30-025-40108
		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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Set & Cement
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Intermediate Casing
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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.)

SUBSEQUENT REPORT: (Drill 11" Intermediate Hole. Set & Cement 8.625" Intermediate Casing.)

Following surface casing set and cementing on 7/7/11, an 11" intermediate hole was drilled from 1,764' to 3,467' KB' in 41.0 rotating hours between 7/8/11 and 7/10/11. New 8.625", 32 #/ft, J55 intermediate casing utilizing 5 centralizers was set @ 3,466' KB and cemented to surface with a LEAD slurry of 850 sx Class 'C' 35:65:4 POZ cement mixed @ 2.07 ft³/sk Yield and 12.60 ppg Density and a TAIL slurry of 275 sx Class 'C' mixed @ 1.32 ft³/sk Yield and 14.8 ppg Density. The intermediate cement job was pumped with full returns and recovered an estimated 68 bbls (184 sacks) of cement to the mud bins. The top wiper plug was bumped @ 0130 hours on 7/11/11 and there was no cement fallback after shut-down. 33 hours elapsed after plug-down and before drillout of the intermediate casing. Maximum deviation in the intermediate hole was 2.0 degrees at 2,990' KB. There were no water flows or lost circulation zones encountered while drilling the intermediate section of the hole. New formation was first drilled in the 7.875" production hole @ 1030 hours on 7/12/11.

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

E. Reed Fischer

Title Senior Operations Engineer

Signature

Date

08/01/2011

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

AUG 28 2011

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.

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

(Instructions on page 2)

SEP 07 2011