

Submit 1 Copy To Appropriate District Office

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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

HOBBES OGD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, NM 87505

JUN 25 2012

WELL API NO. 30-025-40305
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB20140000
7. Lease Name or Unit Agreement Name Branch Ranch 35 State
8. Well Number 1
9. OGRID Number 22044
10. Pool name or Wildcat North Hume (Wolfcamp)

SUNDRY RECEIVED 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 Energy, Inc.

3. Address of Operator  
1050 - 17<sup>th</sup> Street, Suite 2500 Denver, Colorado 80265

4. Well Location

Unit Letter G : 1980 feet from the North line and 1650 feet from the East line  
Section 35 Township 15S Range 33E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
4,149' GLE & 4,166' KBE (w/17' KB)

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 ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☒ Intermediate Csg ☐  
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.

13.375" Surface casing was set at 1,685' KB tally depth and cemented to surface on June 4, 2012.  
After the NU of BOPE and a WOC of 31 hours, the surface casing was drilled out with an 11" PDC bit on June 5, 2012.

The 11" intermediate hole was drilled to 4,468' and reached this depth on June 8, 2012 after 68 rotating hours. A fluid caliper was run prior to pulling the drill string and running 99 joints (4,468') of new 8.625", 32 #/ft, J-55, LT&C, Rng 3 casing. Rising Star cemented to surface with 1,110 sx 35/65 Class 'C' LEAD cement mixed at 12.8 ppg & 1.9 Yield followed by 250 sx Class 'C' TAIL cement mixed at 14.8 ppg and 1.34 Yield. The casing was cemented to surface with full returns and recovered 68 bbls (201 sx) slurry to steel returns tank on June 9, 2012.

Casing cut-off, install of wellhead, retest of BOPE, MU & TIH w/7.875" bit on BHA #3 and WO repairs to surface equipment totaled 51.5 hours between cement plug bump on intermediate string and start of drill out of production hole on June 11, 2012.

Spud Date:

June 1, 2012

Rig Release Date:

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

SIGNATURE E. Reed Fischer TITLE Operations Manager DATE June 17, 2012

Type or print name E. Reed Fischer E-mail address: reedf@mcelvain.com PHONE: 303.893.0933 xtn 330

For State Use Only

APPROVED BY: [Signature] TITLE State Engineer DATE 6-26-2012

Conditions of Approval (if any):

JUN 26 2012