

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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 page 2.

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)

1980' FSL & 1980' FEL Section 25, T18S-R33E N.M.P.M.

5. Lease Serial No.
NM-0245247

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
McElvain # 7

9. API Well No.
30-025-38040

10. Field and Pool or Exploratory Area
E-K Bone Spring

11. Country or Parish, State
Lea County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Plug Back from 2nd Bone Spring zone to test 1st Bone Spring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 Intent to plug back from 2nd Bone Springs in order to test 1st Bone Spring:

The well was drilled to 10,385' and a completion attempt was conducted on 36 gross feet of perforations in the 2nd Bone Spring formation between 9443 to 9479'. After acidizing and fracture stimulating the 2nd Bone Spring it was determined that the formation was depleted and would be uneconomic to produce. McElvain is now preparing to move uphole and test the 1st Bone Spring formation between 8816 - 8826. McElvain proposes to plug back the 2nd Bone Spring perfs by wireline setting a CIBP @ 9410' and subsequently dumpbailing a 35 foot cement cap. The 1st Bone Spring would then be perforated from 8816 to 8826, swab tested, acidized and if warranted, fracture stimulated. Depending on the post treatment results, the well would be placed on pump or plugged back for a second time before recompleting in the Delaware formation between 5400 - 5422.

APPROVED

FEB 1 2007

LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

E. Reed Fischer

Title Operations Engineer

Signature

Date 01/26/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

(Instructions on page 2)

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