

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other: _____

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

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

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

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
1980' FSL & 1980' FEL Sec. 25, T18S-R33E Lea County, New Mexico (NWSE)
At surface
same
At top prod. interval reported below
At total depth same

14. Date Spudded
10/08/2006

15. Date T.D. Reached
10/30/2006

16. Date Completed 02/15/2007
☐ D & A ☒ Ready to Prod.

5. Lease Serial No.
NM-0245247

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
McElvain # 7

9. AFI Well No.
30-025-38040

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

11. Sec., T., R., M., on Block and
Survey or Area Sec. 25, T18S-R33E N.M.P.M

12. County or Parish
Lea

13. State
NM

17. Elevations (DF, RKB, RT, GL)*
3889' KB

18. Total Depth: MD 10,385
TVD 10,385

19. Plug Back T.D.: MD 9,375'
TVD 9,375'

20. Depth Bridge Plug Set: MD 9,410'
TVD 9,410'

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Litho Density, Comp. Neutron, Array Induction, GR, SP, CBL

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
26"	20" conduct		surface	80'				surface - CIR	none
17.5"	13-3/8", H40	48 #	surface	421'	na	420 sx Type C	125 bbls	surface - CIR	none
11"	8-5/8", J55	32#	surface	3,702'	na	1,645 sx Type C	575 bbls	surface - CIR	none
7-7/8"	5.5", I-100	17#	surface	10,365'	4,999'	1,800 sx POZ	526 bbls	2375 from CBL	none

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.875"	8,987'	na						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	Holes	Perf. Status
A) 2nd Bone Spring	9,426'	10,177'	9443 - 9479 gross (15' net)	0.40	30 holes	Shut off w/CIBP @ 9,410' + 100' for dumped cement.
B) 1st Bone Spring	8,801'	9,426'	8816 - 8826 gross (10' net)	0.40	21 holes	Producing
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
9,443 - 9,479	Acid: 2000 gals 10% NeFe Acid + additives & balls. Frac: 51,260 gals & 101,000 lbs sand, BJ's Medallion 3000 system
8,816 - 8,826	Acid: 500 gals 10% NeFe Acid + additives & balls. Frac: 27,426 gals & 37,000 lbs sand, BJ's Medallion 3000 system

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
	11/29/06	4	→	5	TSTM	7.5			Swabbing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
na			→					Shut-off w/10K CIBP @ 9,410' + 100' for dumped cement. Top of Cement Cap = PBTD = 9,375' KB	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
	2/14/07	6	→	40	TSTM	58	37		Swab Tested w/ 30% of frac load remaining. Well will be placed on rod pump to produce.
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→	50	140	25	2750	Well SI waiting on pumping unit and pumping unit's electrical connection.	

* (See instructions and spaces for additional data on page 2)

123456789101112
Received
Hobbs
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2729246272

ACCEPTED FOR RECORD
MAR - 5 2007
LES BABYAK
PETROLEUM ENGINEER

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

Gas to be sold to Frontier Field Services

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Salt	2869	3489	Cased & Cemented Off by both Intermediate & Production String	Queen	4409
Delaware	5400	5422	Oil, Gas, Water	Penrose	4678
1st Bone Spring	8816	8826	Oil, Gas, Water	San Andres	5034
2nd Bone Spring	9443	9479	Oil, Gas, Water	Delaware	5346
				Bone Spring	7538
				1st Bone Spring Sand	8801
				2nd Bone Spring Sand	9426

32. Additional remarks (include plugging procedure):

The well was plugged back after testing the 2nd Bone Spring formation by setting a 10K CIBP @ 9410' KB + 35' of dump-bailed cement cap. New PBTD = 9,375' KB. Prior notice of plug-back was provided to the BLM via Sundry dated 1/26/07.

This completion report covers through the 1st Bone Spring recompletion. The well is currently SI and waiting on the installation of a pumping and an electrical connect.

Open-Hole Electric Logs were sent directly to the Carlsbad Field Office of the BLM and the Hobbs District office of the State of New Mexico on November 1, 2006 by Schlumberger, the logging company.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☐ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
☒ Other: Inclination Survey Shots

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) E. Reed Fischer

Title Senior Operations Engineer

Signature

Date 02/15/2007

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.