

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.**

5. Lease Serial No
NM-0245247

6. If Indian, Allottee or Tribe Name
NA

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 xtn 330

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FSL & 1980' FEL (Unit 'J') NWSE Section 25, T18S-R33E N.M.P.M.

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

8. Well Name and No
McElvain # 7

9. API Well No
30-025-38040

10. Field and Pool or Exploratory Area
EK Delaware

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 1st Bone Spring to test 1st Delaware formation
	<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 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 must 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 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 the 1st Bone Spring formation (8816 - 26') in order to test the 1st Delaware formation (5,400 - 22').

The well was originally drilled into the Bone Spring formation and reached a TD of 10,385' in October of 2006. The 2nd Bone Spring sand was initially tested and subsequently abandoned. The well was then recompleat in the 1st Bone Spring sand and placed on production. After 5 months of production the production rate from 1st Bone Spring declined to approximately 5 BOPD, 2 BWPD and 15 MCFGD, as such, current economics are marginal. McElvain Oil & Gas is proposing an abandonment of the current perforated interval by setting a CIBP @ 8785' (31' above the current perforations) and capping this CIBP with 35 feet of dumpballed cement. The Upper Delaware would then be perforated from approximately 5,400 to 5,422 feet, swab tested, acidized and, if warranted, fracture stimulated. Depending on the post treatment results, the well would be placed back on rod pump.

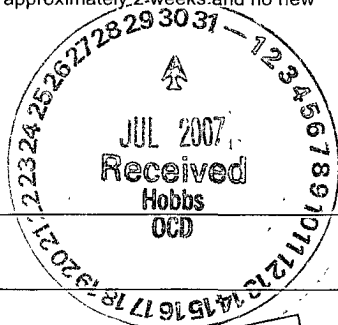
McElvain would like to start this operations as soon as a suitable rig can be located. Operations are expected to take approximately 2 weeks and no new surface disturbance is anticipated.

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

Title Senior Operations Engineer

Signature

Date 07/18/2007



THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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.

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)

APPROVED

Date
JUL 25 2007

FREDERICK WRIGHT
PETROLEUM ENGINEER