

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input checked="" 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 type="checkbox"/> Other
	<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.)

Bone Spring Plug-Back & Delaware Recomplete History:

McElvain Oil & Gas Properties, Inc. submitted a Notice of Intent on 7/19/07 to plug-back and recomplete the subject well from the 1st Bone Spring sand to the 1st Delaware Sand. The Notice of Intent was approved by the BLM on 7/25/07. Recomplete operations commenced on 10/21/07 and the BLM was notified of the plug back operations which subsequently occurred on 10/22/07 when the 1st Bone Spring perforations from 8816-26 sand were plugged off by wireline by setting a 10K CIBP @ 8785'. The plug was pressure tested and this test was followed by 2 dumpbail runs which placed a 35' cement cap over the CIBP. The new PBTD is now at 8,750'. The casing was swabbed down and the 1st Delaware sand was perforated with casing guns from 5400 - 5422' w/2 spf on 10/23/07. The perforations were swab tested from under a packer before being acidized w/1,000 gals of 7.5% NeFe acid and ball sealers. The acid load and spent acid was swabbed back over a 4 day period which recovered approximately 175 barrels of water over and above the acid load. The packer was pulled and the 1st Delaware was fracture stimulated down casing on 11/2/07 utilizing BJ's Medallion 3000 fluid system consisting of 79,000 lbs of sand in 57,544 gallons + displacement (1484 barrels of total load). Tubing was run on 11/7/07 and 590 barrels of the 1484 barrel load was swabbed back before a pumping tubing assembly was run on 11/7/07 and the well was placed back on rod pump. The well never pumped up and underwent 3 pump changes before the well was capable of being pump tested on 11/27/07. The well is currently shut-in waiting on State approval to produce.

McELVAIN OIL & GAS PROPERTIES, INC. REQUESTS THAT ALL INFORMATION BE HELD CONFIDENTIAL FOR THE MAXIMUM ALLOWABLE PERIOD OF TIME.

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

Title Senior Operations Engineer

Signature

Date 12/07/2007

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.

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)

2A E-K Bone Spring

[Handwritten signature]

FEB 13 2008

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

000-HOBBS

FORM APPROVED
OMB NO. 1004-0137
Expires: July 31, 2010

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. Resrv.,
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 xtn 330

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
1980' FSL & 1980' FEL (Unit 'J') NWSE Section 25, T18S-R33E N.M.P.M.
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 11/27/2007
☐ D & A ☒ Ready to Prod

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

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

19. Plug Back T.D.: MD 8,750
TVD 8,750

20. Depth Bridge Plug Set: MD 8,785 CIBP + 35' cmt cap
TVD 8,785 CIBB = 35' cmt cap

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Density/Neutron/Induction/GR/SP (submitted w/ original Bone Spring Completion Rpt)

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	2275 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"	5,600'	na						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) 2nd Bone Spring	9,426'	10,177'	9443-9479 gross (15' net)	0.40	30 holes	P&A w/CIBP + 35' cement
B) 1st Bone Spring	8,801'	9,426'	8816-8826 gross (10' net)	0.40	21 holes	P&A w/CIBP + 35' cement
C) Delaware	5,346'	7,538'	5,400-5,422 gross (22' net)	0.40	45 holes	Producing on Pump
D)						

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

Depth Interval	Amount and Type of Material
9,443 - 9,479	Acid: 2000 gals 10% NeFe + additives & balls. Frac: 51,260 gals & 101,000 lbs sand, BJ's Medallion 3000 system
8,816 - 8,826	Acid: 500 gals 10% NeFe + additives & balls. Frac: 27,426 gals & 37,000 lbs sand. BJ's Medallion 3000 system
5,400 - 5,422	Acid: 1,000 gals 7-1/2% NeFe + additives & balls. Frac: 57,544 gals & 79,000 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 @ 9410' + 35' of dumpballed cement. Top of cement cap = PBTD #1 = 9,375' on 2/01/2007.	

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
	3/08/07		→				37	0.62	Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
na			→	25	60	5	2,400	Shut off w/10K CIBP @ 8,785' + 35' of dumpballed cement. Top of cement cap = PBTD #2 = 8,750' on 10/22/2007.	

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

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
	11/5/07	10	→	85.5	TSTM	199	38	0.62	Swab test - 57 runs recovered 285 BF in 10 hours of steady swabbing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→	75 Est.	100 Est.	125 Est.	1350 Est.	Pumping	

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.)

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 production & intermediate casing	Queen	4409
Delaware	5400	5422	Oil, Gas & Water	Penrose	4678
1st Bone Spring Sand	8816	8826	Oil, Gas & Water	San Andres	5034
2nd Bone Spring Sand	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):

Initial completion operations on this well commenced on 11/07/2006 with the testing of the 2nd Bone Spring Sand. After testing the 2nd Bone Spring (9443-9479' KB) the well was plugged-back by setting a CIBP @ 9410 & dumpbailing a 35' cement cap (PBTD #1 = 9375' KB) on 1/31/2007. Prior notice of this 1st plug-back was provided to the BLM via Sundry Notice dated 1/26/07. The well was then recompleted in the 1st Bone Spring Sand from (8816-8826' KB) and placed on production from March 8, 2007 until the 1st Bone Spring was abandoned on 10/22/07 by setting a CIBP @ 8785 & dumpbailing a 35' cement cap (PBTD # 2 = 8750' KB). Prior notice of this 2nd plug-back was provided to the BLM via Sundry Notice dated 7/18/2007. The well was re-completed a 2nd time to the 1st Delaware sand (5400-5422' KB), and the 1st Delaware will be the only producing zone in the wellbore.

This completion report updates all completion operations up through and including the 1st Delaware which was recompleted and ready to produce as of 11/27/2007.

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:

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 FischerTitle Senior Operations EngineerSignature Date 12/06/2007

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.