

RECEIVED

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 18 2008

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

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
McElvain Oil & Gas Properties, Inc.3a. Address
1050 - 17th Street, Suite 1800 Denver, Colorado 802653b. Phone No. (include area code)
(303) 893-0933 xtn 330

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

8. Well Name and No.
McElvain # 39. API Well No.
30-0252855710. Field and Pool or Exploratory Area
EK Bone Spring4. Location of Well (Footage, Sec., T, R, M., or Survey Description)
766' FSL & 731' FWL (SWSW) Sec. 30, T18S-R34E N M P.M.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 type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input 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 recomple 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 recomple 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.)

Please see the attached current wellbore diagram and the proposed post-P&A wellbore diagram.

Current Casing Configuration: 13,375", 54.5# surface casing set @ 352', cemented with 370 sacks to surface. 8.625", 24 & 32# intermediate casing set @ 3710', cemented with 1,100 sacks cement, followed by 100 sacks cement thru 1" from 180'. 5.5#, 20 & 23# N80 production casing set @ 9,717' and cemented w/650 sacks cement (TOC from CBL run 8-20-84 @ 6,600'). Top perforations from 9,229 - 9,270'.

Proposed P&A Procedure (Assume 30% excess in open-hole. Cement Yields: 'H' - 1.05 cf/sk & 'C' - 1.32 cf/sk):

1) Tubing set CIBP @ 9,200'. Pump 25 sx 'H' cmt on top of CIBP as PLUG # 1 (to isolate open perforations).

2) Circulate Plug Mud.

3) Pump 25 sx 'H' Cmt @ 7,697' as PLUG # 2 (50' below Bone Spring Formation Top).

4) Perf @ 5,446'. Pump 40 sx 'C' Cmt as PLUG # 3 (50' below Delaware formation top). WOC & TAG PLUG # 3. Tag @ 5296' *

5) Cut 5 1/2" casing @ 5,050' & pull 5 1/2" casing.

6) Pump 40 sx 'C' Cmt @ 5,100' as PLUG # 4 (50' inside casing stub). WOC & TAG PLUG # 4. Tag @ 4950' *

7) Pump 40 sx 'C' Cmt @ 3,760' as PLUG # 5 (50' below Intermediate Shoe Plug). WOC & TAG PLUG # 5. Tag @ 3630' *

8) Pump 40 sx 'C' Cmt @ 3,340' as PLUG # 6 (50' below Base of Salt Plug). WOC & TAG PLUG # 6. Tag @ 3210' *

9) Pump 110 sx 'C' Cmt @ 402' to surface as PLUG # 7 (50' below Top of Salt Plug). WOC & TAG PLUG # 7. Tag @ 1546' *

10) Pump 110 sx 'C' Cmt @ 402' to surface as PLUG # 8 (50' below Surface Casing Shoe Plug to ground level).

11) Reclaim & Reseed location.

* SEE ATTACHED FOR

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

CONDITIONS OF APPROVAL

Title Senior Operations Engineer

Signature

Date 06/28/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved by

Chris Williams

Title

Office

Date

JUL 15 2008

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)

JAMES A. AMOS
SUPERVISOR-EPS

McElvain # 3
 SWSW Sec 30 T18S-R34E
 Lea County New Mexico
 API # 30-025-28557
 Fed Lse # NM-0245247

Salt: 1900-3289

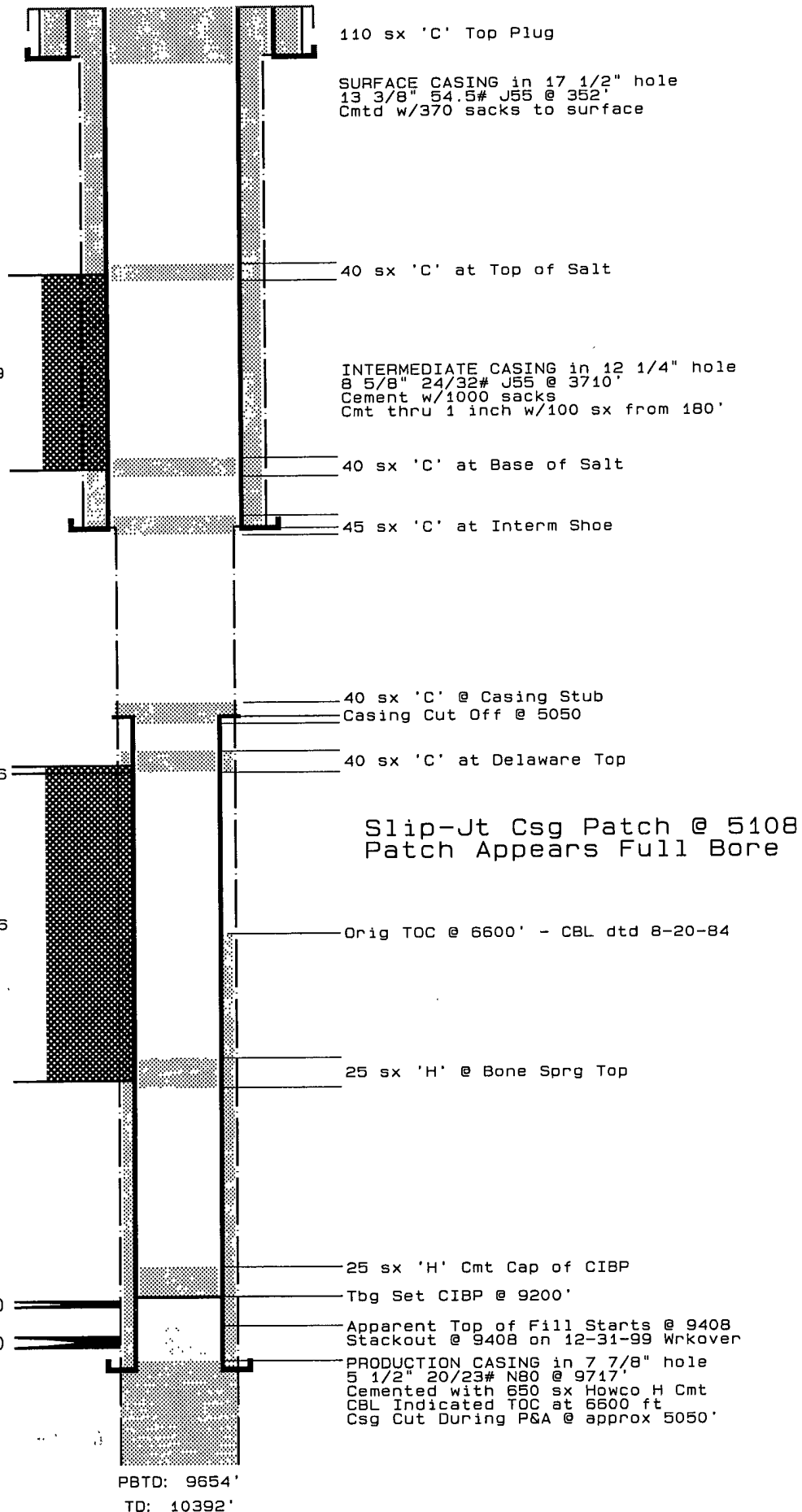
(SQZD) Perfs 5446

Delaware: 5396-7646

RECEIVED
 JUL 18 2008
 HOBBS OCD

2nd Bone Sprng Carb Perfs 9229-9270 (LE)

2nd Bone Spring Perfs 9482-9558 (LE)



**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

RECEIVED
JUL 18 2008
HOBBS OCD

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.