

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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OCD-HOBBS

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

MAR 23 2011

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.
NMNM0245247
6. If Indian, Allottee or Tribe Name

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 2500 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)
660' FSL & 810' FWL (SWSW) Section 25, T18S-R33E N.M.P.M.

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

8. Well Name and No.
McElvain # 5

9. API Well No.
30-025-29051

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 checked="" 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 checked="" 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 Rcmplt into 1st Delaware & Commingle all Delaware Production
	<input type="checkbox"/> Change Plans	<input 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 recompleate 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 recompleation 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.)

McElvain Oil & Gas Properties, Inc. (MOG) is preparing to recompleate the McElvain # 5 well in order to add additional Delaware pay to the existing Delaware production. MOG plans to begin recompleate operations as soon as a fracture stimulation date and service rig can be secured. We anticipate service rig operations to begin in mid May 2011 and continue for up to 4 weeks.

This well is currently producing from 74 gross feet of 2nd Delaware perforations between 5,668 to 5,742'. MOG would like to temporarily blindoff the existing perfs via a wireline set RBP at approximately 5,640' before bond logging the well, pressure testing the RBP, casing & BOPE and then perforating the 1st Delaware formation from 5,377' to 5,395' @ 3 spf. The 18' of new perfs in the 1st Delaware would then be acidized from under a packer with approximately 1,500 gals of NeFe (HCL) acid and swab tested before fracture treating down casing with approximately 65,000 gals 1% KCL based fluid and 80,000 lbs of 20/40 sand. The well will then be cleaned out and RBP pulled in order to commingle all Delaware perforations before placing the well back on rod pump.

MOG is aware of the lesser prairie chicken stipulations and will conduct no rig or pressure pumping operations between 3:00 A.M. and 9:00 A.M from March 1 and June 15.

Both the BLM and NMOCDD will be notified of all operations.

PLEASE KEEP ALL INFORMATION 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 Production Engineer

Signature

Date 03/11/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

MAR 18 2011

Office

/s/ Chris Walls

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)

MAR 24 2011

PETROLEUM ENGINEER