

## OCD-HOBBS

Form 3160-5  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.***SUBMIT IN TRIPLICATE- Other instructions on reverse side.**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 80265**3b. Phone No. (include area code)  
**303-893-0933**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**2240' FSL & 990' FWL (NWSW) Section 31, T18S-R34E**5. Lease Serial No  
**LC-069457**6. If Indian, Allottee or Tribe Name  
**na**7. If Unit or CA/Agreement, Name and/or No  
**na**8. Well Name and No.  
**McElvain # 10**9. API Well No  
**30-025-39520**10. Field and Pool, or Exploratory Area  
**EK - Bone Spring**11. County or Parish, State  
**Lea County, New Mexico****12. CHECK 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 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 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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Notification of Pipeline Installation &amp; 1st Production</b>
	<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 recompleting 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleting in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**OPERATIONS UPDATE & Notification of completion of pipeline and first production from the 2nd Bone Spring Formation:**

The well was shut-in 3/26/10 following release of the completion rig to wait on a gas pipeline. Construction of the Frontier Field Services pipeline was completed on May 24, 2010 and the McElvain # 10 well was assigned Frontier Field Services gas meter # 06035016. The well's pumping unit was turned on and first delivered gas into the pipeline & oil into the new battery's oil storage tanks on May 25, 2010. On May 26, 2010 the well had produced 149 BO and 29 BW. Gas sales totaled 109 MCFG. The well is currently powered by a generator while we wait on ROW approval to construct an electric power line.

**RECEIVED**

PLEASE KEEP ALL INFORMATION CONFIDENTIAL FOR THE MAXIMUM ALLOWABLE PERIOD OF TIME.

**JUN 28 2010****HOBBSOCD**

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

**E. Reed Fischer**Title **Senior Operations Engineer**

Signature

Date

**05/26/2010****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

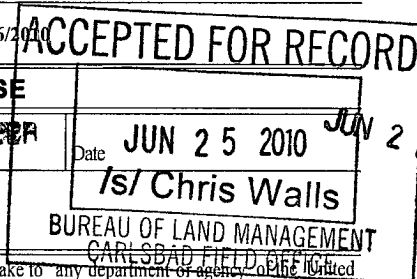
Approved by

**PETROLEUM ENGINEER**

Title

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

Office



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)

*Handwritten initials: K.E. 7.m.*