Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT–" for such proposals

SUBMIT IN TRIPLICATE

RECEIVED
DEC 17 1999
OIL CON. DIV.
DIST. 3

1. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other
2. Name of Operator: *McElvain Oil & Gas Properties Inc.*
3. Address and Telephone No.: *1050 17th St.,Suite 710, Denver, CO, 80265 (505) 325-5220*
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 1970 ' FSL - 2125 ' FEL, Section 33, T26N, R2W, NMPM J

5. Lease Designation and Serial No.: NM01397
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA, Agreement Designation:
8. Well Name and No.: Cougar Com 33 No. 1
9. API Well No.: 30 - 039 - 26226
10. Field and Pool, or Exploratory Area: Basin Dakota
11. County or Parish, State: Rio Arriba, New Mexico

12. **CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☒ Other Produced water transfer	☐ Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinennt dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

McElvain Oil & Gas Properties Inc. proposes the beneficial use of Mesa Verde produced water to be used in the mud system for this well. The produced water sources are the Elk Com 34 # 1, Fee lease, and the Elk Com # 1, NM98693. The produced water will be mixed with fresh water for the mud system requirements in an approximate 50 / 50 ratio. The Elk Com 34 # 1 will be the primary source and the Elk Com # 1 will be the secondary source. The water will be hauled from the produced water tanks and the reserve pit as necessary. A copy of the latest analysis from these two wells is attached as well as test results from the mud engineer. McElvain proposes to use the water in this manner on this well and on future wells drilled. This water production has been reported on McElvain's C-115 reports. The volumes of produced water transfered and the source are identified on the water trucks tickets. The water will ultimately be shipped to disposal from this well.

14. I hereby certify the foregoing is true and correct

Signed L. E. Fielder Title Agent Date December 8, 1999

(This space for Federal or State office use)

Approved by Patricia M Hester Title Lands and Mineral Resources Date 12-15-1999

Conditions of approval, if any:

ok

PROPERTY MANAGEMENT & CONSULTING, INC.
P. O. BOX 2596
FARMINGTON, NEW MEXICO 87499-2596
(505) 325-5220

December 9, 1999

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410
ATTN: Mr. Frank Chavez

Re: Beneficial use of produced water
Cougar Com 33 No. 1
Section 33, T26N, R2W

Dear Frank:

McElvain Oil & Gas Properties Inc. proposes to use produced water from their existing Mesa Verde wells as mix water for the mud system on this well and future wells drilled in the Lindrith area. The fresh water supply is from run off fed ponds and is diminishing to the point that the local ranchers do not want to sell water so they have an adequate supply for their livestock. The water will be transferred from the Elk Com 34 # 1, Fee lease, and the Elk Com # 1, NM98693. The water will be mixed in an approximate 50 /50 ratio with fresh water. The Elk Com 34 # 1 will be the primary source because of it's proximity to access roads and the Elk Com # 1 will be the secondary source. The water will be hauled from the produced water tanks and the reserve pits in an effort to dry up the existing pits. A copy of the latest analysis on each well as well as test data from the mud engineer's sample of the reserve pit fluid is attached for reference. The water has been found to be compatible for mixing the fresh water mud system used for this well and is a beneficial use to this lease. The water transferred has or will be reported as production on McElvain's C -115 reports each month. The water truck tickets on location identify the source and amount of water transferred.

If you have questions, please call at (505) 325 - 5220.

Sincerely;

R. E. Fielder
Agent for McElvain Oil & Gas Properties

John Stowbridge
Barry
well file: Elk Com 34 #1

OFF: (505) 325-5667

ON SITE TECHNOLOGIES, LTD.

LAB: (505) 325-1556

ANALYTICAL REPORT

Date: *18-Aug-99*

Client:	American Energy	**Client Sample Info:**	TH McElvain (MV Formation)
Work Order:	9908032	**Client Sample ID:**	Elk Com 34 #11
Lab ID:	9908032-01A **Matrix:** AQUEOUS	**Collection Date:**	08/12/1999 11:00:00 AM – Separator
Project:	TH McElvain, Elk Com 34 #11	**COC Record:**	10244

Parameter	Result	PQL	Qual	Units	DF	Date Analyzed
CALCIUM, DISSOLVED		**E215.1**				Analyst: HR
Calcium	30	5		mg/L	20	08/17/1999
IRON, DISSOLVED		**E236.1**				Analyst: HR
Iron	0.71	0.1		mg/L	1	08/17/1999
POTASSIUM, DISSOLVED		**E258.1**				Analyst: HR
Potassium	210	25		mg/L	100	08/17/1999
MAGNESIUM, DISSOLVED		**E242.1**				Analyst: HR
Magnesium	9	1.2		mg/L	5	08/17/1999
SODIUM, DISSOLVED		**E273.1**				Analyst: HR
Sodium	3470	250		mg/L	1000	08/17/1999
ALKALINITY, TOTAL		**M2320 B**				Analyst: HR
Alkalinity, Bicarbonate (As CaCO3)	1780	5		mg/L CaCO3	1	08/13/1999
Alkalinity, Carbonate (As CaCO3)	ND	5		mg/L CaCO3	1	08/13/1999
Alkalinity, Hydroxide	ND	5		mg/L CaCO3	1	08/13/1999
Alkalinity, Total (As CaCO3)	1780	5		mg/L CaCO3	1	08/13/1999
CHLORIDE		**E325.3**				Analyst: HR
Chloride	4400	1		mg/L	1	08/13/1999
HARDNESS, TOTAL		**M2340 B**				Analyst: HR
Hardness (As CaCO3)	112	1		mg/L	1	08/17/1999
PH		**E150.1**				Analyst: HR
pH	7.36	2		pH units	1	08/13/1999
RESISTIVITY (@ 25 DEG. C)		**M2510 C**				Analyst: HR
Resistivity	0.6207	0.001		ohm-m	1	08/13/1999
SPECIFIC GRAVITY		**M2710 F**				Analyst: HR
Specific Gravity	1.0096	1			1	08/16/1999
SULFATE		**M4500-SO4 D**				Analyst: HR
Sulfate	46	8		mg/L	1	08/13/1999
TOTAL DISSOLVED SOLIDS		**CALC**				Analyst: HR
Total Dissolved Solids (Calculated)	9950	40		mg/L	1	08/17/1999

Qualifiers:

PQL - Practical Quantitation Limit
ND - Not Detected at Practical Quantitation Limit
J - Analyte detected below Practical Quantitation Limit
B - Analyte detected in the associated Method Blank
S - Spike Recovery outside accepted recovery limits
R - RPD outside accepted recovery limits
E - Value above quantitation range
Surr - Surrogate

P.O. BOX 2606 • FARMINGTON, NM 87499

TECHNOLOGY BLENDING INDUSTRY WITH THE ENV...

HALLIBURTON

Water Analysis Report

To:	Meclvain Oil & Gas CO.	Date:	6/3/99
Submitted by:	Halliburton Energy Services	Date Rec:	6/3/99
Attention:	JOE ELLEDGE	Report #:	WF-990-0135
Well Name:	ELK COM. # 1	Formation:	Separator

Specific Gravity	1.020	
pH	7.94	
Resistivity	0.66	@ 70° F
Iron (Fe)	3	Mg / L
Potassium (K)	0	Mg / L
Sodium (Na)	5064	Mg / L
Calcium (Ca)	52	Mg / L
Magnesium (Mg)	39	Mg / L
Chlorides (Cl)	6814	Mg / L
Sulfates (SO_4)	200	Mg / L
Carbonates (CO_3)	79.9733422	Mg / L
Bicarbonates (HCO_3)	1749	Mg / L
Total Dissolved Solids	14000	Mg / L

Respectfully: A.J. JAHANGIRI

Title: QA/QC

Location: Farmington, NM

WesVan Mud & Chemical Co.

P.O. BOX 163 • FARMINGTON, NEW MEXICO 87401 • PHONE: (505) 327-2009

December 11, 1999

McELVAIN OIL & GAS PROPERTIES, INC.

Elk Com 34 #11

(Water Sample) from produced Water tank, November, 1999

Chlorides 4200 ppm

Calcuim 600 ppm

ARNOLD VAN NOY

Arnold Van Noy