

JUL 21 2015

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. BHL NM-245247 NM 1161166	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name (H)	
2. Name of Operator McELVAIN ENERGY, INC. <22044>		7. If Unit or CA Agreement, Name and No.	
3a. Address 1050 17th STREET SUITE 2500 DENVER, COLORADO 80265-2080		8. Lease Name and Well No. 315095 EK "29" BS2 FEDERAL COM 3H	
3b. Phone No. (include area code) 303-893-0933		9. API Well No. 30-025-42699	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 305' FSL & 2155' FWL SECTION 29 T18S-R34E LEA CO. At proposed prod. zone BHL-510' FNL & 1980' FWL SECTION 29 T18S-R34E		10. Field and Pool, or Exploratory EK-BONE SPRING <21650>	
14. Distance in miles and direction from nearest town or post office Approximately 28 miles West of Hobbs, New Mexico		11. Sec, T.R.M. or Blk and Survey or Area SECTION 29 T18S-R34E	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 510'		12. County or Parish LEA CO.	
16. No. of acres in lease 1111 acres		13. State NM	
17. Spacing Unit dedicated to this well 160 acres		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2000'	
19. Proposed Depth TVD-9883' MD-14,267'		20. BLM/BIA Bond No. on file COB#-000010	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3943' GL		22. Approximate date work will start* WHEN APPROVED	
23. Estimated duration 28 Days		24. Attachments	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) Joe T. Janica	Date 03/12/15
Title Permit Eng.		
Approved by (Signature) James A. Amos	Name (Printed/Typed)	Date JUL - 9 2015
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	KZ 07/21/15

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)
Capitan Controlled Water Basin
Witness Surface &
Intermediate CasingApproval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL
JUL 22 2015
(Instructions on page 2 PM)

McELVAIN ENERGY, INC.
 EK "29" FEDERAL COM. #3HBS2
 UNIT "N" SECTION 29
 T18S-R34E LEA CO. NM

HOBBS OCD

JUL 21 2015

In response to questions asked under Section II of Bulletin NTL-6, the following information on the above well will be provided.

RECEIVED

1. LOCATION: SL. 305' FSL & 2155' FWL SECTION 29 T18S-R34E LEA CO. NEW MEXICO
 BHL- 510' FNL & 1980' FWL SECTION 29 T18S-R34E LEA CO. NEW MEXICO
2. ELEVATION ABOVE SEA LEVEL: 3943' GL.
3. GEOLOGICAL NAME OF SURFACE FORMATION: Quaternary Aeolian Deposits;
4. DRILLING TOOLS AND ASSOCIATED EQUIPMENT: Conventional rotary drilling rig using drilling mud as a circulating medium for the removal of solids.

5. PROPOSED DRILLING DEPTH: TVD-9883'
 MD-14,267'

6. ESTIMATED TOPS OF GEOLOGICAL FORMATIONS:

Rustler anhydrite	1760'	7-Rivers	3763'	Delaware	5563'
Top of Salt	1823'	Queen	4538'	Bone Spring	7788'
Base of Salt	3338'	Penrose	4813'	2nd Bone Sp. SD	9563'
Yates	3338'	San Andres	5339'	TD (TVD) 9883'	9883'

7. POSSIBLE MINERAL BEARING FORMATIONS:

Yates	Oil-Gas-Water	San Andres	Oil-Gas-Water
Queen	Oil-Gas-water	Delaware	Oil-Gas-Water
Penrose	Oil-Gas-Water	Bone Spring	Oil-Gas-Water

8. CASING PROGRAM:

HOLE SIZE	INTERVAL	CASING OD	WEIGHT	THREAD	COLLAR	GRADE	CONDITION
26"	0-40'	20"	NA	NA	NA	Conductor	New
17½"	0-1788'	13 3/8"	54.5	8-R	ST&C	J-55	New
12½"	0-3400'	9 5/8"	40#	8-R	LT&C	J-55	New
8 3/4"	0-3400-8500'	5½"	17#	8-R	DQX	HCP-110	New
	8500-14,267'	5½"	17#	BUETRUS	DQX	HCP-110	New

CASING SAFETY FACTORS: Collapse 1.125 Burst 1.00 Body Yield 1.5
 Joint Strength 8-Round 1.8
 Buttress 1.6

APPLICATION TO DRILL

McELVAIN ENERGY, INC.
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 UNIT "N" SECTION 29
 T18S-R34E LEA CO. NM

9. CASING SETTING DEPTHS AND CEMENTING:

- 20" Conductor Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix cement.
- 17½" Surface Drill 17½" hole to 1788'. Run and set 1788' of 13 3/8" casing as follows: ~~788' of 13 3/8" 54.5# 8-R J-55 ST&C casing, 1000' of 13 3/8" 40# H-40 ST&C casing.~~ Cement with 1275 Sx of Class "C" cement + 4% Bentonite, + Defoamer, + 0.25# Cello Flakes/Sx, ++ 25 CaCl, 100% Excess Yield 1.75, tail in with 200 Sx. Class "C" cement + 2% CaCl, 100% Excess Yield 1.34. Circulate cement to surface.
- 9 5/8" Intermediate Drill 12½" hole to to 3400'. Run and set 3400' of 9 5/8" 40# J-55 LT&C casing. Cement with 600 Sx. of Class "C" cement + 6% Bentonite, + 5% Salt, + Defoamer, 50% Excess Yield 1.9, tail in with 300 Sx. of Class "C" cement ++ 1% CaCl, 50% Excess Yield 1.35, 100% excess circulate cement to surface.
- 5½" Production Drill 8 3/4" hole to KO Point of 9522' continue with 7 7/8" bit to a total MD of 14,267'. Run and set 14,267' of 5½" 17# HCP-110 as follows: 5767' of 5½" 17# HCP-110 BT&C, 8500' of 5½" 17# HCP-110 LT&C casing. Cement in two stages with DV tool at 7500±' Cement first stage with 1200 Sx. of Class "H" cement + Fluid loss additives, + Retarder, + Defoamer Yield 1.69, 25% Excess, Stage 2 cement with 700 Sx. of Class "H" cement + Fluid loss additives, + Retarders, + Defoamer, 25% Excess Yield 1.69, tail in with 150 Sx. of Class "H" neat cement + Defoamer, 10% Excess Yield 1.18, Estimated top of cement 3000' from surface.

10. PRESSURE CONTROL EQUIPMENT:

Exhibit "E" shows a 3000 PSI working pressure B.O.P. consisting of a packoff an annular bag type preventor, blind rams, and pipe rams. A 13 5/8" B.O.P. will be nipped up on the 13 3/8" surface casing and will remain on the hole till the 9 5/8" intermediate casing is run. It will be tested by a third party testing company to 2000 PSI. A 11" 5000PSI B.O.P. will be nipped up the hole for the drilling of the production hole. It will be tested by a third party testing company to 5000 PSI. The B.O.P.s will be operated at least once in each 24 hour period and the blind rams will be operated when the drill pipe is out of the hole. A full opening stabbing valve and an upper kelly cock will be available on the derrick floor at all times and will be compatible with the drill pipe that is in use while drilling this well. Exhibit "E-1" shows a 3" 5000 PSI choke manifold with a manual choke and a hydraulically operated remote choke. The choke manifold will be a rigid connection to the B.O.P.. No abnormal pressures or temperatures are expected while drilling of this well. Other wells drilled in this near vicinity have not encountered any abnormal pressures or temperatures. No H2S is expected to be encountered.

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 UNIT "N" SECTION 29
 T18S-R34E LEA CO. NM

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-1788'	8.4-9.4	30-36	NC	Fresh water spud mud use paper to control seepage.
1788- 3400 '	9.8-10.2	28-32	NC	Brine watermud system use paper where needed to control seepage. Use high viscosity sweeps to clean hole.
<i>See COA</i> 3400 -14,267'	8.7-9.2	28-32	12-15 cc	Cut Brine use a Polymer to control water loss, use high viscosity sweeps to clean hole.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's , open hole logs, cut cores, and run casing the viscosity, water loss, and other properties may have to be altered to meet these requirements.

THIS WELL WILL BE DRILLED USING A CLOSED MUD SYSTEM.

APPLICATION TO DRILL

McELVAIN ENERGY, INC.
EK "29" FEDERAL COM. #3HBS2
UNIT "N" SECTION 29
T18S-R34E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

* See COA

- A. Open hole logs: Laterolog, Gamma Ray, SP, Caliper from KO point to 3400'
- B. Gamma Ray Neutron from KO point to surface.
- C. Rig up Mud Logger and start logging at 3500'.
- D. No DST's, Cores are anticipated at this time.

13. POTENTIAL HAZARDS:

H₂S See COA

No abnormal pressures or temperatures are expected during the drilling of this well. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil & Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of the equipment being used to drill this well. Estimated BHP 4200 PSI, and Estimated BHT 165°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a drilling rig is available. Move in operations and drilling is expected to take 28 days. In order to complete this well for injection it will take approximately 20 days and additional 20 days to construct surface facilities and lay injection lines.

15. OTHER FACETS OF THE OPERATION:

After casing is run and cemented the drilling rig will be removed and location will be cleaned up in preparation to commence completion of the well, perforating acidizing and fracing of the pay interval.



McElvain Energy, Inc.

Sec. 29 T18S R34E

EK Federal Com 29

EK Federal Com 29 #3H

Wellbore #1

Plan: Plan #1 27Jan15 kjs

Standard Planning Report

10 February, 2015



New Tech Planning Report

Database:	EDM 2003.16 Single User Db	Local Co-ordinate Reference:	Well EK Federal Com 29 #3H
Company:	McElvain Energy, Inc.	TVD Reference:	WELL @ 3963.0ft (Original Well Elev)
Project:	Sec. 29 T18S R34E	MD Reference:	WELL @ 3963.0ft (Original Well Elev)
Site:	EK Federal Com 29	North Reference:	True
Well:	EK Federal Com 29 #3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1 27Jan15 kjs		

Project	Sec. 29 T18S R34E		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	EK Federal Com 29			
Site Position:		Northing:	623,679.60 ft	Latitude: 32° 42' 44.271 N
From:	Map	Easting:	771,797.20 ft	Longitude: 103° 35' 2.561 W
Position Uncertainty:	0.0 ft	Slot Radius:	"	Grid Convergence: 0.40 °

Well	EK Federal Com 29 #3H			
Well Position	+N-S	0.0 ft	Northing: 623,679.60 ft	Latitude: 32° 42' 44.271 N
	+E-W	0.0 ft	Easting: 771,797.20 ft	Longitude: 103° 35' 2.561 W
Position Uncertainty	0.0 ft	Wellhead Elevation:	ft	Ground Level: 3,943.0 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF2010	12/31/2014	(°)	(°)	(nT)
			7.19	60.55	48,549

Design	Plan #1 27Jan15 kjs			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.0
Vertical Section:	Depth From (TVD)	+N-S	+E-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	357.59

Plan Sections										
Measured Depth	Inclination	Azimuth	Vertical Depth	+N-S	+E-W	Dogleg Rate	Build Rate	Turn Rate	TFO	Target
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(°/100ft)	(°/100ft)	(°/100ft)	(°)	
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
9,521.5	0.00	0.00	9,521.5	0.0	0.0	0.00	0.00	0.00	0.00	
10,285.3	91.67	357.59	9,998.7	490.9	-20.6	12.00	12.00	0.00	357.59	
14,266.9	91.67	357.59	9,883.0	4,467.2	-187.8	0.00	0.00	0.00	0.00	TD / PBHL EK 29 Fec



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Site: EK Federal Com 29
Well: EK Federal Com 29 #3H
Wellbore: Wellbore #1
Design: Plan #1 27Jan15 kjs

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well EK Federal Com 29 #3H
WELL @ 3963.0ft (Original Well Elev)
WELL @ 3963.0ft (Original Well Elev)
True
Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,763.0	0.00	0.00	1,763.0	0.0	0.0	0.0	0.00	0.00	0.00
Rustler									
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,823.0	0.00	0.00	1,823.0	0.0	0.0	0.0	0.00	0.00	0.00
Salt									
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,338.0	0.00	0.00	3,338.0	0.0	0.0	0.0	0.00	0.00	0.00
Yates									
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
Intermediate Csg									
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,763.0	0.00	0.00	3,763.0	0.0	0.0	0.0	0.00	0.00	0.00
Seven Rivers									
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,538.0	0.00	0.00	4,538.0	0.0	0.0	0.0	0.00	0.00	0.00
Queen									
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,813.0	0.00	0.00	4,813.0	0.0	0.0	0.0	0.00	0.00	0.00
Penrose									
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,338.0	0.00	0.00	5,338.0	0.0	0.0	0.0	0.00	0.00	0.00
San Andres									
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,563.0	0.00	0.00	5,563.0	0.0	0.0	0.0	0.00	0.00	0.00
Delaware									
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,603.0	0.00	0.00	5,603.0	0.0	0.0	0.0	0.00	0.00	0.00
1st Delaware Sand									
5,763.0	0.00	0.00	5,763.0	0.0	0.0	0.0	0.00	0.00	0.00
2nd Delaware Sand									
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00



New Tech Planning Report

Database: EDM 2003.16 Single User Db
Company: McElvain Energy, Inc.
Project: Sec. 29 T18S R34E
Site: EK Federal Corn 29
Well: EK Federal Corn 29 #3H
Wellbore: Wellbore #1
Design: Plan #1 27Jan15 kjs

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well EK Federal Corn 29 #3H
WELL @ 3963.0ft (Original Well Elev)
WELL @ 3963.0ft (Original Well Elev)
True
Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00
7,600.0	0.00	0.00	7,600.0	0.0	0.0	0.0	0.00	0.00	0.00
7,788.0	0.00	0.00	7,788.0	0.0	0.0	0.0	0.00	0.00	0.00
Bone Spring									
7,800.0	0.00	0.00	7,800.0	0.0	0.0	0.0	0.00	0.00	0.00
8,000.0	0.00	0.00	8,000.0	0.0	0.0	0.0	0.00	0.00	0.00
8,200.0	0.00	0.00	8,200.0	0.0	0.0	0.0	0.00	0.00	0.00
8,400.0	0.00	0.00	8,400.0	0.0	0.0	0.0	0.00	0.00	0.00
8,600.0	0.00	0.00	8,600.0	0.0	0.0	0.0	0.00	0.00	0.00
8,800.0	0.00	0.00	8,800.0	0.0	0.0	0.0	0.00	0.00	0.00
9,000.0	0.00	0.00	9,000.0	0.0	0.0	0.0	0.00	0.00	0.00
9,013.0	0.00	0.00	9,013.0	0.0	0.0	0.0	0.00	0.00	0.00
1st Bone Spring Sand									
9,200.0	0.00	0.00	9,200.0	0.0	0.0	0.0	0.00	0.00	0.00
9,400.0	0.00	0.00	9,400.0	0.0	0.0	0.0	0.00	0.00	0.00
9,521.5	0.00	0.00	9,521.5	0.0	0.0	0.0	0.00	0.00	0.00
KOP 12°/100'									
9,563.0	4.99	357.59	9,562.9	1.8	-0.1	1.8	12.00	12.00	0.00
2nd Bone Spring Sand									
9,600.0	9.43	357.59	9,599.6	6.4	-0.3	6.4	12.00	12.00	0.00
9,800.0	33.43	357.59	9,784.5	78.9	-3.3	79.0	12.00	12.00	0.00
10,000.0	57.43	357.59	9,923.8	220.2	-9.3	220.4	12.00	12.00	0.00
10,130.1	73.04	357.59	9,978.1	337.9	-14.2	338.2	12.00	12.00	0.00
TOP TARGET WINDOW									
10,200.0	81.43	357.59	9,993.6	405.9	-17.1	406.3	12.00	12.00	0.00
10,279.3	90.94	357.59	9,998.9	484.9	-20.4	485.3	12.00	12.00	0.00
TARGET CENTER LINE									
10,285.3	91.67	357.59	9,998.7	490.9	-20.6	491.3	12.00	12.00	0.00
Landing Pt 91.67° Inc, 357.59° Az									
10,400.0	91.67	357.59	9,995.4	605.4	-25.5	606.0	0.00	0.00	0.00
10,600.0	91.67	357.59	9,989.6	805.2	-33.9	805.9	0.00	0.00	0.00
10,800.0	91.67	357.59	9,983.8	1,004.9	-42.3	1,005.8	0.00	0.00	0.00
11,000.0	91.67	357.59	9,977.9	1,204.6	-50.7	1,205.7	0.00	0.00	0.00
11,200.0	91.67	357.59	9,972.1	1,404.4	-59.0	1,405.6	0.00	0.00	0.00
11,400.0	91.67	357.59	9,966.3	1,604.1	-67.4	1,605.5	0.00	0.00	0.00
11,600.0	91.67	357.59	9,960.5	1,803.9	-75.8	1,805.5	0.00	0.00	0.00
11,800.0	91.67	357.59	9,954.7	2,003.6	-84.2	2,005.4	0.00	0.00	0.00
12,000.0	91.67	357.59	9,948.9	2,203.3	-92.6	2,205.3	0.00	0.00	0.00
12,200.0	91.67	357.59	9,943.1	2,403.1	-101.0	2,405.2	0.00	0.00	0.00
12,400.0	91.67	357.59	9,937.3	2,602.8	-109.4	2,605.1	0.00	0.00	0.00
12,600.0	91.67	357.59	9,931.4	2,802.6	-117.8	2,805.0	0.00	0.00	0.00
12,800.0	91.67	357.59	9,925.6	3,002.3	-126.2	3,005.0	0.00	0.00	0.00
13,000.0	91.67	357.59	9,919.8	3,202.0	-134.6	3,204.9	0.00	0.00	0.00
13,200.0	91.67	357.59	9,914.0	3,401.8	-143.0	3,404.8	0.00	0.00	0.00
13,400.0	91.67	357.59	9,908.2	3,601.5	-151.4	3,604.7	0.00	0.00	0.00
13,600.0	91.67	357.59	9,902.4	3,801.3	-159.8	3,804.6	0.00	0.00	0.00
13,800.0	91.67	357.59	9,896.6	4,001.0	-168.2	4,004.5	0.00	0.00	0.00



New Tech Planning Report

Database: EDM 2003.16 Single User Db
Company: McElvain Energy, Inc.
Project: Sec. 29 T18S R34E
Site: EK Federal Com 29
Well: EK Federal Com 29 #3H
Wellbore: Wellbore #1
Design: Plan #1 27Jan15 kjs

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well EK Federal Com 29 #3H
WELL @ 3963.0ft (Original Well Elev)
WELL @ 3963.0ft (Original Well Elev)
True
Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
14,000.0	91.67	357.59	9,890.8	4,200.7	-176.6	4,204.4	0.00	0.00	0.00
14,200.0	91.67	357.59	9,884.9	4,400.5	-185.0	4,404.4	0.00	0.00	0.00
14,266.9	91.67	357.59	9,883.0	4,467.2	-187.8	4,471.2	0.00	0.00	0.00

TD at 14266.9 - TD / PBHL EK 29 Fed Com #3H

Targets

Target Name	hit/miss target	Dip Angle (°)	Dip Dir (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
TD / PBHL EK 29 Fed C	- plan hits target	0.00	0.00	9,883.0	4,467.2	-187.8	628,145.40	771,577.80	32° 43' 28.473 N	103° 35' 4.760 W
	- Point									

Casing Points

Measured Depth (ft)	Vertical Depth (ft)	Name	Casing Diameter (")	Hole Diameter (")
3,400.0	3,400.0	Intermediate Csg	0	0

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,763.00	1,763.00	Rustler		-1.67	357.59
1,823.00	1,823.00	Salt		-1.67	357.59
3,338.00	3,338.00	Yates		-1.67	357.59
3,763.00	3,763.00	Seven Rivers		-1.67	357.59
4,538.00	4,538.00	Queen		-1.67	357.59
4,813.00	4,813.00	Penrose		-1.67	357.59
5,338.00	5,338.00	San Andres		-1.67	357.59
5,563.00	5,563.00	Delaware		-1.67	357.59
5,603.00	5,603.00	1st Delaware Sand		-1.67	357.59
5,763.00	5,763.00	2nd Delaware Sand		-1.67	357.59
7,788.00	7,788.00	Bone Spring		-1.67	357.59
9,013.00	9,013.00	1st Bone Spring Sand		-1.67	357.59
9,563.00	9,563.00	2nd Bone Spring Sand		-1.67	357.59
10,130.10	9,988.00	TOP TARGET WINDOW		-1.67	357.59
10,279.30	10,013.00	TARGET CENTER LINE		-1.67	357.59
	10,038.00	BASE TARGET WINDOW		-1.67	357.59



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Wellbore: Wellbore #1
Design: Plan #1 27Jan15 kjs

Local Co-ordinate Reference:
TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well EK Federal Com 29 #3H
WELL @ 3963.0ft (Original Well Elev)
WELL @ 3963.0ft (Original Well Elev)
True
Minimum Curvature

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
9,521.5	9,521.5	0.0	0.0	KOP 12°/100
10,285.3	9,998.7	490.9	-20.6	Landing Pt 91.67° Inc, 357.59° Az
14,266.9	9,883.0	4,467.2	-187.8	TD at 14266.9

McELVAIN ENERGY, INC.

EK "29" FEDERAL COM. #3H

3000 PSI 13 5/8" BOP

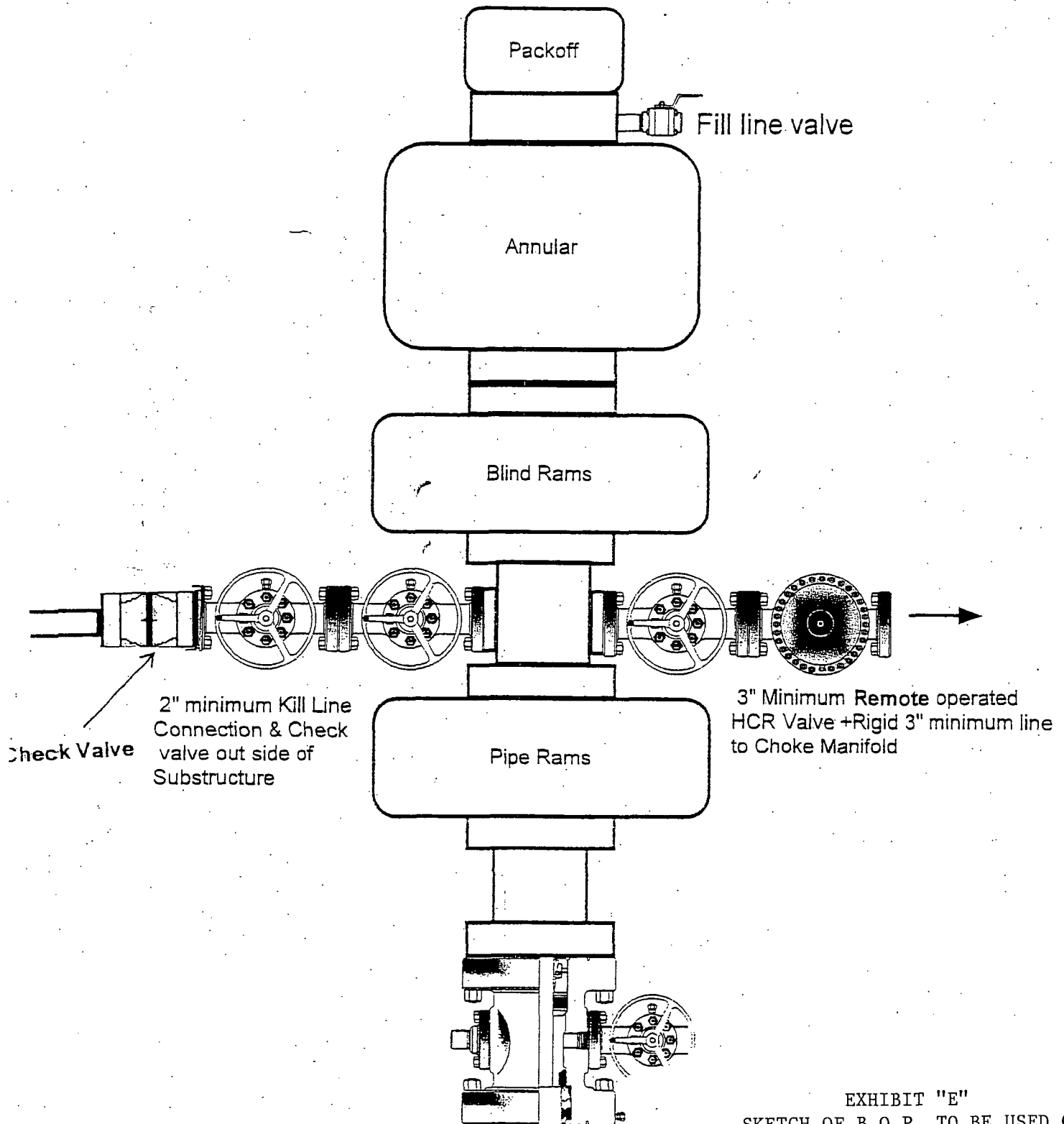


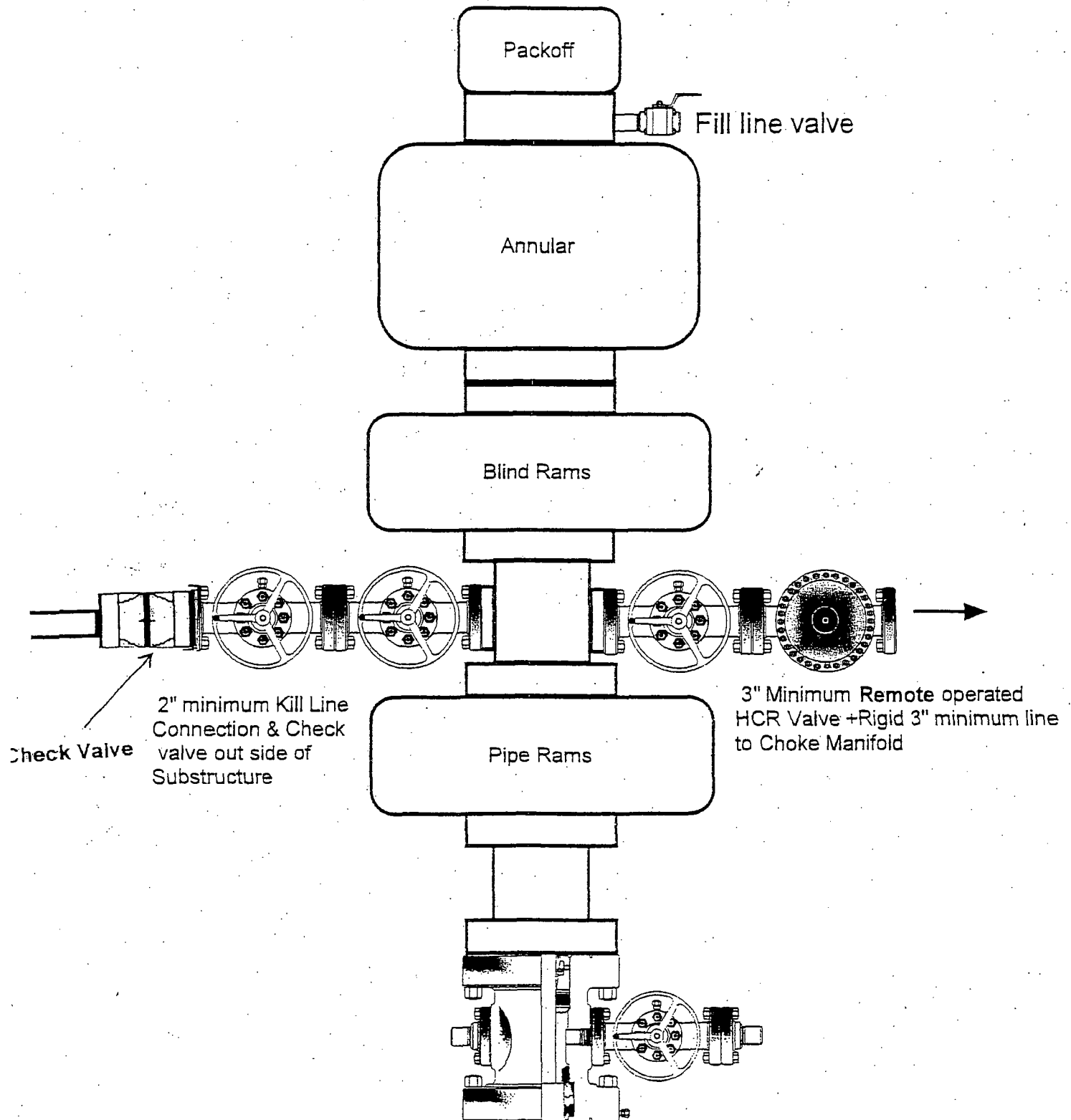
EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

McELVAIN ENERGY, INC.
EK "29" FEDERAL COM. #3HBS2
UNIT "N" SECTION 29
T18S-R34E LEA CO..NM

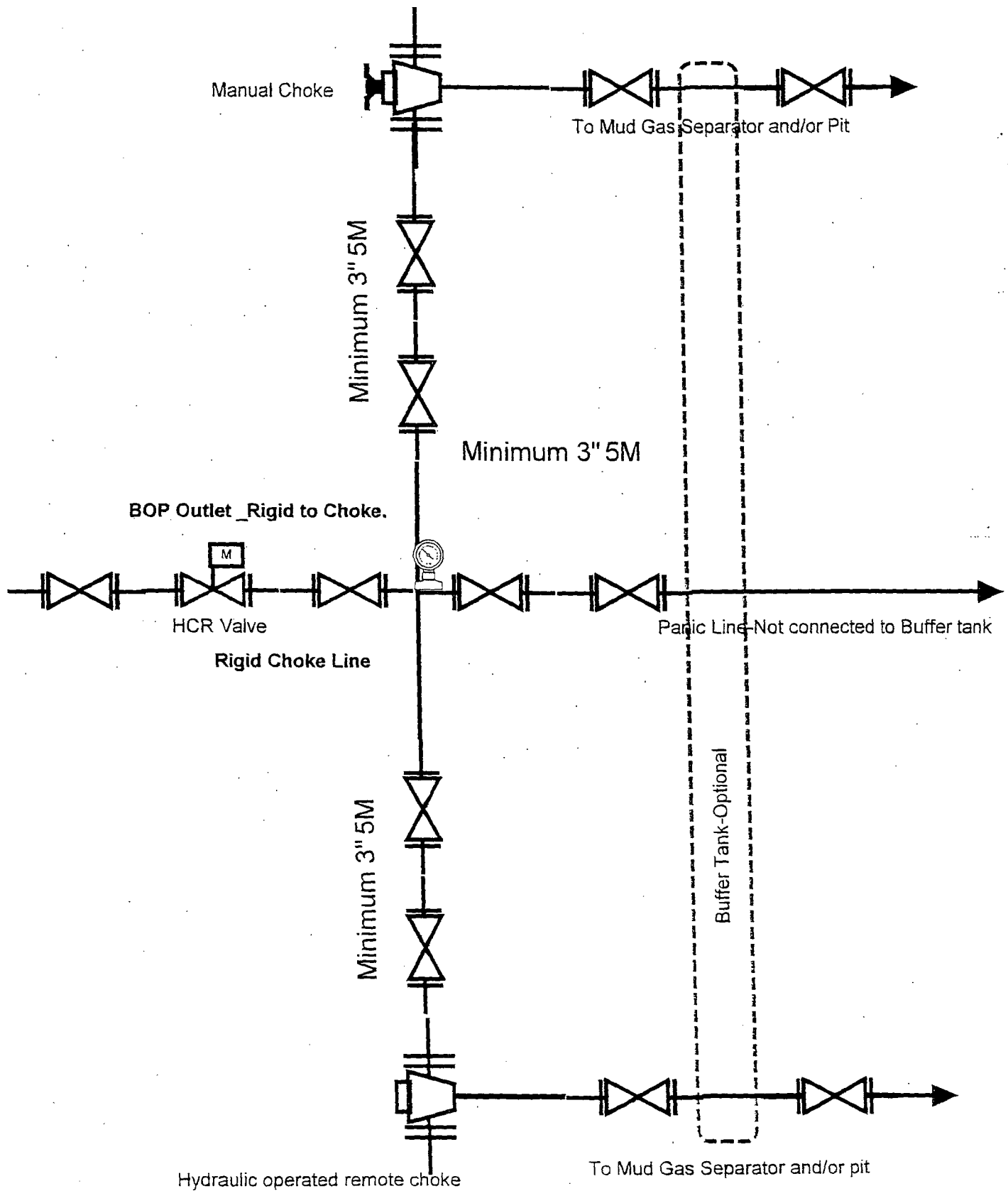
McELVAIN ENERGY, INC

EK "29" FEDERAL COM. #3H

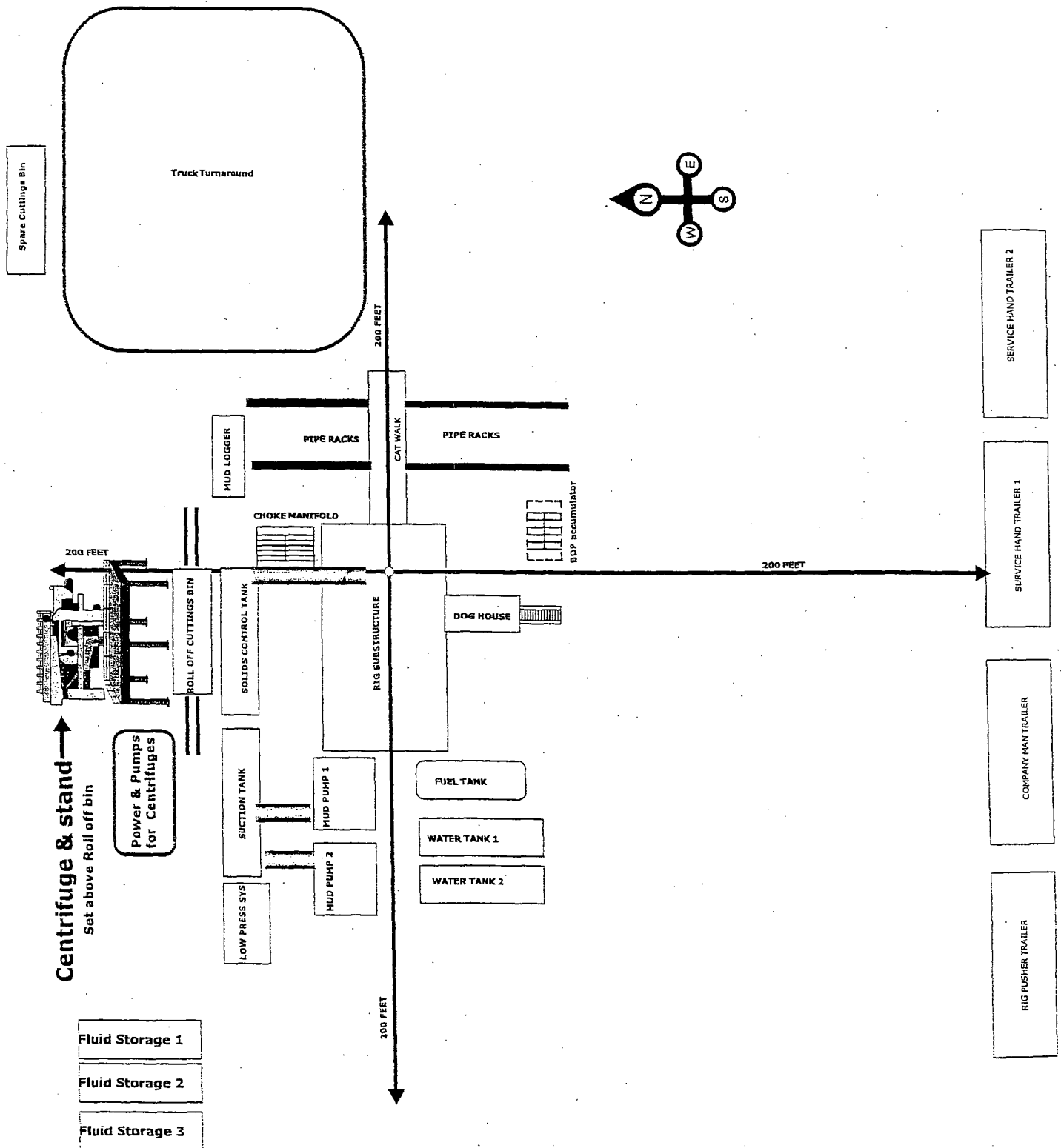
5000 PSI 13 5/8 BOP



5,000 psi Manifold Equipment- Configuration of chokes may vary.



Closed Loop Oil Well



Note: The Rig and Closed System Company for this well have not been selected thus the set up shown is simply generic.

Operations and Maintenance Plan

Closed Loop equipment will be inspected and monitored closely on a daily basis by each drilling rig Tour and by those hired specifically to operate the equipment. Any leak or release detected will be repaired immediately and the proper NMOCD official will be notified within the 48 hr requirement. A large release will require

McELVAIN ENERGY, INC. representatives to contact BLM immediately at the Carlsbad office "575 234 5972" Hobbs "575 393 3612" as well as the NMOCD @ 575 393 6161 as stated by NMOCD rule 116.

Closure Plan

During and after drilling operations, liquids (which apply), all drill cuttings and drilling fluids will be hauled and disposed of at the R-360 disposal (permit number NM 01-0006) located about 30 miles East of Carlsbad, New Mexico. An alternate approved disposal site has been selected Parabo disposal "Sundance" which is 4 miles East of Eunice (permit number NM 01-0003). The Second site would be used in the event of economics or physical problems with R-360 disposal.

350'

ACCESS ROAD
H2S warning signs

Primary Egress

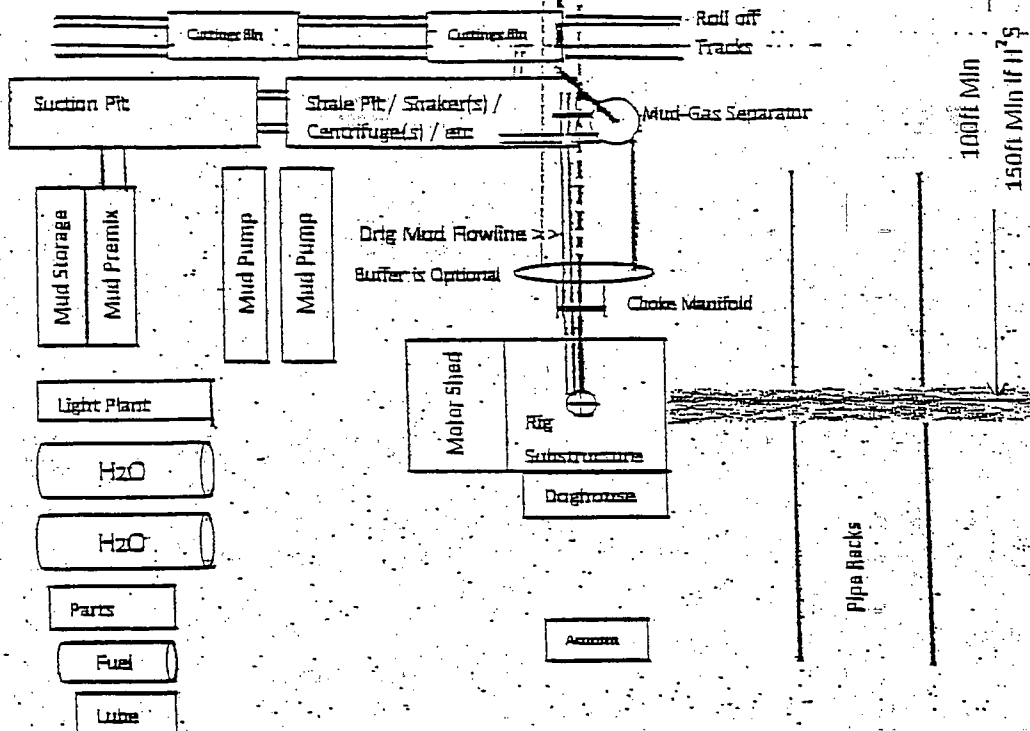
Secondary Egress

Flare Pit & Wall >

Erosion
Control
Structure

Mud Logger

Vent lines may be buried to Flare Pit by moving equipment on location >



350'

Secondary Egress

Briefing Area

Tool Pusher Housing

Company Man Housing

Primary Briefing Area

Generic Drill Site
Layout

Preplanning reasonable spacing accommodations for a useable "Closed Loop" drillsite layout is challenging. Particular site specific conflicts need to be resolved. This generic APD plat was prepared to demonstrate several necessary elements. The plat should include: a north arrow, prevailing wind direction, spacing access for truck removal of cutting bins, flare pit location, and piping provision to vent all combustible gas to the flare pit. Include the choke manifold and mud-gas separator and their connection routing.

EXHIBIT "D"
RIG LAYOUT PLAT

McELVAIN ENERGY, INC.
EK "29" FEDERAL COM. #3HBS2
UNIT "N" SECTION 29
T18S-R34E LEA CO. NM