

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.

OCD Hobbs

HOBBS OCD

MAY 08 2018

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2

| | | |
|--|--|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM0245247 |
| 2. Name of Operator MCELVAIN ENERGY INC. <input checked="" type="checkbox"/> | | 6. If Indian, Allottee or Tribe Name |
| Contact: TONY G COOPER E-Mail: tony.cooper@mcelvain.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 1050 17TH ST STE. 2500 DENVER, CO 80265 | 3b. Phone No. (include area code) Ph: 303-893-0933 Ext: 331 | 8. Well Name and No. EK 31 BS2 FED COM 1H <input checked="" type="checkbox"/> |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T18S R34E Mer NMP 124FSL 892FEL <input checked="" type="checkbox"/> | | 9. API Well No. 30-025-43884 <input checked="" type="checkbox"/> |
| | | 10. Field and Pool or Exploratory Area EK BONE SPRING |
| | | 11. County or Parish, State LEA COUNTY COUNTY, NM |

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"/> Hydraulic Fracturing | <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 type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" 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 recomplate 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 recompletion 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.

On 4-6-2018 McElvain will begin hauling produced water from this well to one of the 3 produced water disposal facilities listed below. The change in disposition of this produced water is due to the Seely Recycling Containment (1-RF-10-0) approaching freeboard capacity.

- 1- Buckeye Disposal? 30-025-20980 STATE AF 003 8-18S-35E
- 2- Buckeye Disposal? 30-025-31173 CBM 001 P-24-19S-37E
- 3- Clearwater SWD? 30-025-37122 SOUTH VACUUM 274



| | |
|--|---------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #410521 verified by the BLM Well Information System For MCELVAIN ENERGY INC., sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/06/2018 () | |
| Name (Printed/Typed) KELLOFF JOE | Title VP PRODUCTION |
| Signature (Electronic Submission) | Date 04/05/2018 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By _____ | Title _____ | Date _____ |
| 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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Kz