

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on page 2

JUN 27 2018

| | | |
|--|--|---|
| 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 | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 1050 17TH STREET SUITE 2500 DENVER, CO 80265 | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3b. Phone No. (include area code) Ph: 303-893-0933 Ext: 331 | | 8. Well Name and No. EDITH FEDERAL 04 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T18S R33E NESW 1980FSL 1975FWL | | 9. API Well No. 30-025-36058-00-S1 |
| | | 10. Field and Pool or Exploratory Area EK |
| | | 11. County or Parish, State LEA COUNTY, NM |

RECEIVED

12. CHECK THE 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Hydraulic Fracturing |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Recomplete |
| | <input type="checkbox"/> Plug and Abandon |
| | <input type="checkbox"/> Temporarily Abandon |
| | <input checked="" type="checkbox"/> Water Disposal |
| | <input type="checkbox"/> Convert to Injection |
| | <input type="checkbox"/> Plug Back |

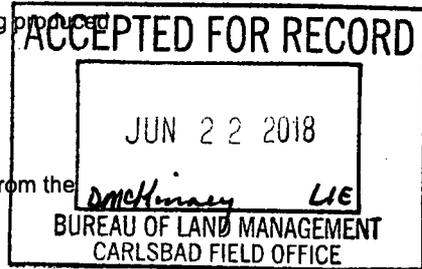
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths 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 recomplate 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.

Change in disposition of produced water.

McElvain recently purchased this well from Chevron USA. McElvain will begin transporting produced water from this well to one of the facilities listed below.

Delaware - 1.0 bwpd
Produced water stored onsite in storage tank
Transported via truck to division approved facility

Representative water analysis including TDS, PH, chlorides, and sulfate concentrations from the Delaware (McElvain 5) formation is attached.



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #424916 verified by the BLM Well Information System
For MCELVAIN ENERGY INC, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 06/22/2018 (18DLM0396SE)

| | |
|-----------------------------------|---------------------|
| Name (Printed/Typed) KELLOFF JOE | Title VP PRODUCTION |
| Signature (Electronic Submission) | Date 06/21/2018 |

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #424916 that would not fit on the form

32. Additional remarks, continued

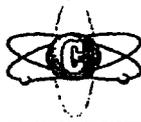
Produced water may be transported to any of the facilities listed below.

McElvain Energy Inc...Seely Recycle Containment... 1RF-10-00...NWSW 30 18S 34E

Buckeye Disposal... 30-025-20980... STATE AF 003... L 8 18S 35E

Buckeye Disposal... 30-025-31173... CBM 001... P 24 19S 37E

Clearwater SWD... 30-025-37122... SOUTH VACUUM 274... P 27 18S 35E



Water Analysis

506 County Road 137, Snyder, TX
325.573.7298 fax 325.573.3340

| | | | |
|----------|---------------------|------------|----------|
| Date: | 27-Jun-14 | Analyst | ecr |
| Company: | Radical Specialties | Well #: | 5 |
| Lease: | | County: | |
| State: | | Formation: | Delaware |
| Depth: | | Source: | |

| | | | |
|------------------|-------|--------------------|-------|
| pH: | 6.59 | Temp (F): | 75 |
| Specific Gravity | 1.178 | Resistivity, #NUM! | ohm-m |

| CATIONS | mg/l | me/l | ppm |
|------------------|-------|--------|-------|
| Sodium (calc.) | 82908 | 3606.3 | 70381 |
| Calcium | 20760 | 1035.9 | 17623 |
| Magnesium | 5250 | 431.9 | 4456 |
| Barium/strontium | 0 | 0.0 | 0 |
| Potassium | ND | --- | --- |
| Iron | ND | --- | --- |

| ANIONS | mg/l | me/l | ppm |
|-------------|--------|--------|--------|
| Chloride | 179959 | 5076.4 | 152767 |
| Sulfate | 450 | 9.4 | 382 |
| Carbonate | < 1 | --- | --- |
| Bicarbonate | 153 | 2.5 | 130 |

| | | |
|-------------------------------|--------|--------|
| Total Dissolved Solids(calc.) | 289481 | 245739 |
|-------------------------------|--------|--------|

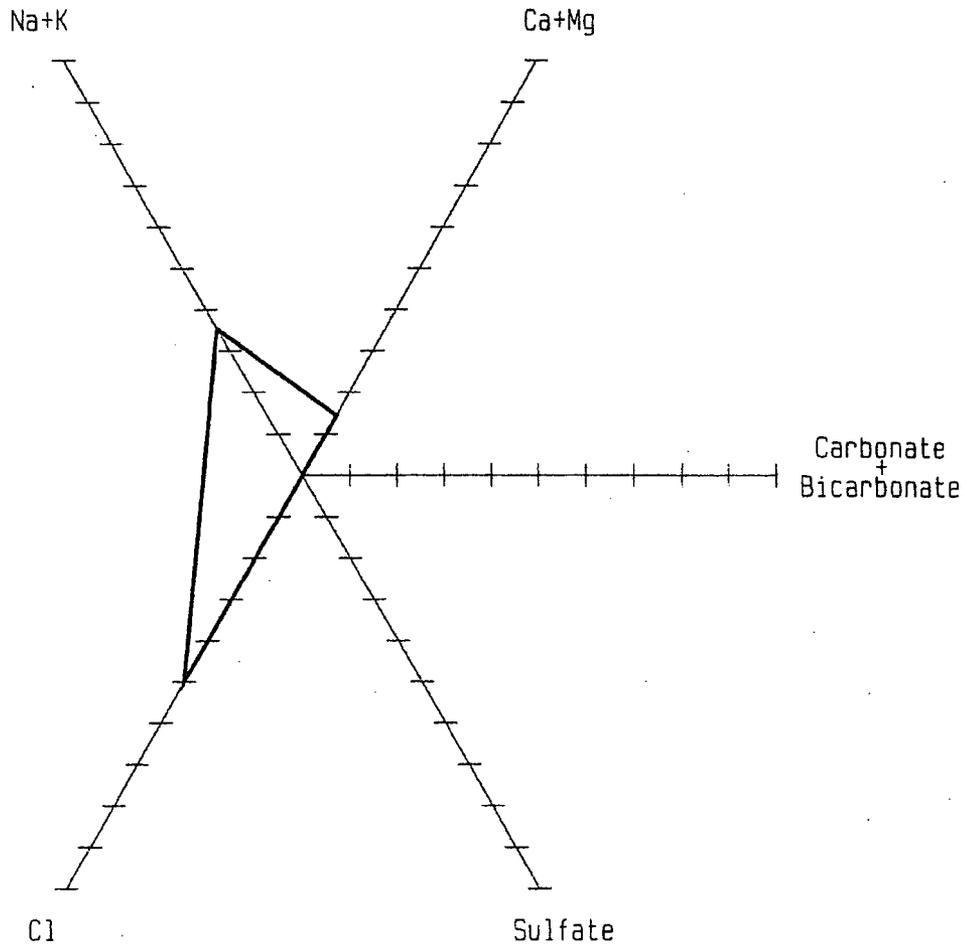
SCALE ANALYSIS:

| | | | |
|--------------|---------|---------------------------------------|----------|
| CaCO3 Factor | 3167603 | Calcium Carbonate Scale Probability-> | Probable |
| CaSO4 Factor | 9342182 | Calcium Sulfate Scale Probability --> | Possible |

Field Analysis

| | |
|---------------------------|----------|
| Date: | Analyst: |
| pH | |
| Temp: | mg/l |
| O ₂ -suction | ND |
| O ₂ -discharge | ND |
| CO ₂ | ND |
| H ₂ S | ND |
| Total Fe | ND |
| Total Fe test | |

% MEQ/L



McELVAIN # 5

pH: 6.59

Rw @ 75 degrees F: 0.00

TDS: 289481

Specific Gravity: 1.178

Lab: Radical Specialties

Sample Date: 06/27/2014

| | |
|----------------------|--------|
| Sodium & Potassium: | 35.44% |
| Calcium & Magnesium: | 14.45% |
| Carb & Bicarb: | .03% |
| Sulfate: | .09% |
| Chloride: | 49.99% |