

OCD-HOBBS

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED

5. Lease Serial No.
NMNM0245247**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.

6. If Indian, Allottee or Tribe Name

MAR 28 2008

SUBMIT IN TRIPLICATE - Other instructions on page 2

7. If Unit of CA Agreement, Name and/or No.

1. Type of Well

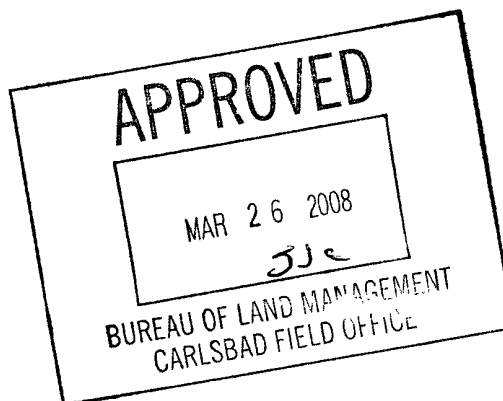
☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
McElvain # 62. Name of Operator
McElvain Oil & Gas Properties, Inc.9. API Well No.
30-025-379483a. Address
1050 - 17th Street, Suite 1800 Denver, Colorado 802653b. Phone No. (include area code)
(303) 893-0933 xtn 33010. Field and Pool or Exploratory Area
EK Delaware4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2125' FSL & 515' FWL (NWSW) Section 25, T18S-R33E N.M.P.M.11. Country or Parish, State
Lea County, New Mexico

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 type="checkbox"/> Deepen	<input 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 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.)

Please refer to the attached sheet pertaining to disposal of produced water from the lease.

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

Title Senior Production Engineer

Signature

Date 03/10/2008

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)

API #	Well Name Producing Zone Location	Average Water BPD	TDS mg/L	Water Analysis - pH	Chlorides mg/L	Sulfates mg/L	Water Storage Facility
30-025-28997	McElvain # 4 Bone Springs SWSE Section 25, T18S-R33E	3.00	192,484	6.40	117,000	1,680	400 bbl coated steel tank
30-025-29051	McElvain # 5 Delaware SWSW Section 25, T18S-R33E	15.00	259,275	6.50	161,000	760	400 bbl fiberglass tank
30-025-37948	McElvain # 6 Delaware NWSW Section 25, T18S-R33E	6.00	269,023	6.50	166,000	1,400	400 bbl fiberglass tank
30-025-38040	McElvain # 7 Delaware NWSE Section 25, T18S-R33E	5.00	212,841	6.50	131,000	1,680	400 bbl fiberglass tank
30-025-38012	McElvain # 8 Delaware NWSW Section 30, T18S-R34E	60.00	265,136	6.30	163,000	1,840	400 bbl fiberglass tank
30-025-38481	McElvain # 9 Delaware SENW Section 25, T18S-R33E	<u>1.00</u>	260,460	6.40	161,000	1,280	400 bbl fiberglass tank
	Average Total BWPD Production from lease NMNM0245247	90.00					

Water is trucked from the individual on-site water storage tanks to commercial disposal facilities by I&W, Inc.

Disposal Facilities:

Primary: I & W, Inc.
Walter Solt State SWD # 1
SWD Well
API # 30-015-25522
NWSW Sec. 5, T18S-R28E
Eddy County, New Mexico
Permit # SWD - 318

Secondary: Judah Oil, LLC
Oxy T-Bone Federal # 1
SWD Well
API # 30-015-32122
NENW Sec. 33, T18S-R31E
Eddy County, New Mexico
Permit # SWD - 950

RECEIVED
 MAR 28 2008
 HOBBS OCD

RECEIVED

MAR 28 2008

CAPITAN CHEMICAL WATER ANALYSIS REPORT

HOBBS OCD

Lease Name :	McElvain Oil & Gas	Date Sampled :	02/22/08
Well Number :	McElvain	Capitan Rep. :	Joe Hughes
Location :	# 6	Company Rep. :	Reed Fischer
	Lea County , New Mexico		

ANALYSIS

1. pH	6.5	
2. Specific Gravity @ 60/60 F.	1.170	
3. CaCO ₃ Saturation Index @ 80 F.	+1.623	'Calcium Carbonate Scale Possible'
@ 140 F.	+3.193	'Calcium Carbonate Scale Possible'

Dissolved Gasses

4. Hydrogen Sulfide	0	PPM
5. Carbon Dioxide	382	PPM
6. Dissolved Oxygen	Not Determined	

Cations

	mg/L	/	Eq. Wt.	=	MEQ/L
7. Calcium (Ca++)	17,600	/	20.1	=	875.62
8. Magnesium (Mg++)	4,678	/	12.2	=	383.42
9. Sodium (Na+) Calculated	79,277	/	23.0	=	3,446.82
10. Barium (Ba++)	Not Determined	/	68.7	=	0.00

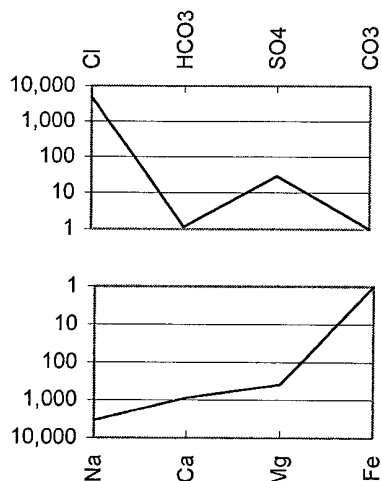
Anions

		/		=	
11. Hydroxyl (OH-)	0	/	17.0	=	0.00
12. Carbonate (CO ₃ =)	0	/	30.0	=	0.00
13. Bicarbonate (HCO ₃ -)	68	/	61.1	=	1.12
14. Sulfate (SO ₄ =)	1,400	/	48.8	=	28.69
15. Chloride (Cl-)	166,000	/	35.5	=	4,676.06

Other

16. Soluble Iron (Fe)	0	/	18.2	=	0.00
17. Total Dissolved Solids	269,023				
18. Total Hardness As CaCO ₃	63,250				
Calcium Sulfate Solubility @ 90 F.	694				'Calcium Sulfate Scale Possible'
20. Resistivity (Measured)	0.055	Ohm/Meters	@ 58	Degrees (F)	

Logarithmic Water Pattern



PROBABLE MINERAL COMPOSITION

COMPOUND	Eq. Wt.	X	MEQ/L	=	mg/L
Ca(HCO ₃) ₂	81.04	X	1.12	=	91
CaSO ₄	68.07	X	28.69	=	1,953
CaCl ₂	55.50	X	845.82	=	46,943
Mg(HCO ₃) ₂	73.17	X	0.00	=	0
MgSO ₄	60.19	X	0.00	=	0
MgCl ₂	47.62	X	383.42	=	18,259
NaHCO ₃	84.00	X	0.00	=	0
NaSO ₄	71.03	X	0.00	=	0
NaCl	58.46	X	3,446.82	=	201,501