

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
McElvain Oil & Gas Properties, Inc.3a. Address
1050 - 17th Street, Suite 1800 Denver, Colorado 802653b. Phone No. (include area code)
303-893-0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 1,980' FEL (SWSE) Sec. 25, T18S-R33E

Unit 0

5. Lease Serial No.

NM-0245247

6. If Indian, Allottee or Tribe Name

na

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

na

8. Well Name and No.

McElvain #4

9. API Well No.

30-025-28997

10. Field and Pool, or Exploratory Area

EK Delaware

11. County or Parish, State

Lea County, New Mexico

12. CHECK 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Notification of Water
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	Disposal following
				Recomplete

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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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.

RECEIVED

JUN 17 2009

HOBBSOCD

ACCEPTED FOR RECORD

JUN 2 2009

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

E. Reed Fischer

Title Senior Operations Engineer

Signature

Date

05/12/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Date

JUN 22 2009

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

KZ

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)

McElvain Oil Gas Properties, Inc.
Water Disposal from the EK Field Area

API #	Well Name Producing Zone Location	Average Water BPD	TDS mg/L	Water Analysis - pH	Chlorides mg/L	Sulfates mg/L	Water Storage Facility
30-025-27543	McElvain # 2 Bone Spring Formation NWSW Section 29, T18S-R34E	1.0	192,484	6.40	117,000	1,680	210 bbl fiberglass tank
30-025-39250	McElvain A # 2 Delaware Formation NWSW Section 29, T18S-R34E	<u>55.0</u>	212,211	6.37	130,000	250	400 bbl fiberglass tank
	Average Total BWPD Production from lease NM 116166	56.0					
30-025-28997	McElvain # 4 Delaware Formation SWSE Section 25, T18S-R33E	115.00	249,818	6.88	156,000	1,300	400 bbl fiberglass tank
30-025-29051	McElvain # 5 Delaware Formation SWSW Section 25, T18S-R33E	35.00	259,275	6.50	161,000	760	400 bbl fiberglass tank
30-025-37948	McElvain # 6 Delaware Formation NWSW Section 25, T18S-R33E	2.00	269,023	6.50	166,000	1,400	400 bbl fiberglass tank
30-025-38040	McElvain # 7 Delaware Formation NWSE Section 25, T18S-R33E	3.00	212,841	6.50	131,000	1,680	400 bbl fiberglass tank
30-025-38012	McElvain # 8 Delaware Formation NWSW Section 30, T18S-R34E	40.00	265,136	6.30	163,000	1,840	400 bbl fiberglass tank
30-025-38481	McElvain # 9 Delaware Formation SENE 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 NM 0245247	196.00					

Water is trucked from the individual on-site water storage tanks to commercial disposal facilities as follows:

I&W, Inc. trucks to following the facilities:

Victory Services trucks to the following 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

Primary: Basin Alliance LLC
State AJ # 1
SWD Well
API # 30-025-28083
SWNE Sec. 33, T18S-R36E
Lea County, New Mexico
Permit # R-8166

Secondary: J. Cooper Enterprises, Inc.
Anderson # 1
SWD Well
API # 30-025-29962
SWSE Sec. 8, T20S-R37E
Lea County, New Mexico
Permit # R-12375