

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 re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-116166
2. Name of Operator McElvain Oil & Gas Properties, Inc.		6. If Indian, Allottee or Tribe Name na
3a. Address 1050 - 17th Street, Suite 1800 Denver, Colorado 80265	3b. Phone No. (include area code) 303-893-0933	7. If Unit or CA/Agreement, Name and/or No. na
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 900' FWL (NWSW) Sec. 29, T18S-R34E Unit L		8. Well Name and No. McElvain 'A' # 2
		9. API Well No. 30-025-39250
		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 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		

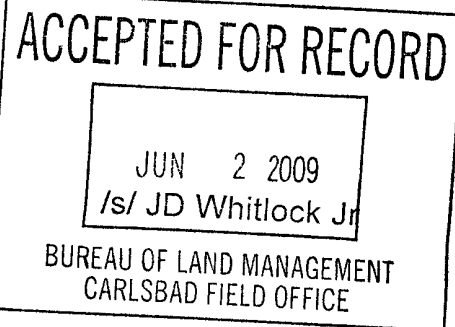
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths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



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

E. Reed Fischer

Title Senior Operations Engineer

Signature

Date

05/11/2009

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

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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
NM 116166 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
NM 116166 30-025-39250	McElvain A # 2 Delaware Formation NWSW Section 29, T18S-R34E	55.0	212,211	6.37	130,000	250	400 bbl fiberglass tank
	Average Total BWPD Production from lease NM 116166	56.0					
NM 0245247 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
NM 0245247 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
NM 0245247 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
NM 0245247 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
NM 0245247 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
NM 0245247 30-025-38481	McElvain # 9 Delaware Formation SENE Section 25, T18S-R33E	1.00	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:

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

Victory Services trucks to the following facilities

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