District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 24, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

9435

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator: McElvain Oil & Gas Properties, Inc. OGRID #: 22044
Address: 1050 17th Street, Suite 1800
Facility or well name: Dewey #1 Pit extension Approved 5/2/2008 – Extended to 11/18/2008
API Number: 30-045-34323 OCD Permit Number:
U/L or Qtr/Qtr A Section 19 Township 30N Range 13W County: San Juan
Center of Proposed Design: Latitude 36.80389 N Longitude -108.24120W NAD: ☐1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

☒ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ Steel Pit
☒ Lined ☐ Unlined
Liner type: Thickness 12 mil ☐ LLDPE ☐ HDPE ☐ PVC
☒ Other Woven CD12WB ☐ String-Reinforced
Seams: ☐ Welded ☒ Factory ☐ Other
Volume: 2850 bbl Dimensions: L 80 x W 25 x D 8

☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
☐ Drying Pad ☐ Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined
Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC
☐ Other
Seams: ☐ Welded ☐ Factory ☐ Other
Volume: bbl yd^3
Dimensions: Length x Width

☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: bbl
Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection
☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner
☐ Visible sidewalls only
☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC
☐ Other

Fencing: Subsection D of 19.15.17.11 NMAC
☐ Chain link, six feet in height, two strands of barbed wire at top
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet **Four Feet –Hog wire- 1 Strand Barbed Wire - top**
Netting: Subsection E of 19.15.17.11 NMAC
☐ Screen ☐ Netting ☐ Other
☐ Monthly inspections
Signs: Subsection C of 19.15.17.11 NMAC
☒ 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers
☐ Signed in compliance with 19.15.3.103 NMAC

☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Administrative Approvals and Exceptions:
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.
Please check a box if one or more of the following is requested, if not leave blank:
☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

RECEIVED
NOV 2008
OIL CONS. DIV. DIST. 3

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: ***The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance.*** **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☒ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☒ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☒ No

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: ***Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.***

- ☒ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☒ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☒ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☒ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: ***Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Proposed Closure: 19.15.17.13 NMAC

Type: ☒ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☒ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☒ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☒ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☒ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☒ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☒ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☒ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☒ No

Dewey #1

RCVD JAN 11 '12
OIL CONS. DIV.
DIST. 3

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- [x] Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- [ ] Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- [x] Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- [x] Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- [x] Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- [x] Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only: (19.15.17.13.D NMAC) *Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name: JFJ Land Farm Disposal Facility Permit Number: NM1-10-B

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- [x] Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- [x] Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- [ ] Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- [x] Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- [x] Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- [x] Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- [x] Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- [x] Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- [x] Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- [x] Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Deborah K Powell Title: Engineering Tech_Supervisor

Signature: Debbie K Powell Date: 7/15/2008 re-10/31/2008

e-mail address: DebbyP@MeElvain.com Telephone: 303-893-0933

OCD Approval: [x] Permit Application (including closure plan) [x] Closure Plan (only)

OCD Representative Signature: Brandon Powell Approval Date: 11-10-08

Title: EnviroSpec OCD Permit Number:

Jonette D. Kelly 1/11/2012
Compliance Officer

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

[x] Closure Completion Date: 11-26-2008

Closure Method:

[x] Waste Excavation and Removal [ ] On-Site Closure Method [ ] Alternative Closure Method

[ ] If different from approved plan, please explain.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- [x] Proof of Closure Notice
- [ ] Proof of Deed Notice (if applicable)
- [x] Plot Plan
- [x] Confirmation Sampling Analytical Results
- [x] Waste Material Sampling Analytical Results
- [x] Disposal Facility Name and Permit Number
- [x] Soil Backfilling and Cover Installation
- [ ] Re-vegetation Application Rates and Seeding Technique
- [x] Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude 36.80393 Longitude -108.24109 NAD: [ ] 1927 [ ] 1983

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Deborah Powell Title: Eng Tech Supervisor

Signature: Debbie K Powell Date: 1-29-09

e-mail address: DebbyP@MeElvain.Com Telephone: 303-278-2329

Form C-144 New Mexico Oil Conservation Division Page 1 of 1

McELVAIN OIL & GAS PROPERTIES, INC.
1050 17th Street, Suite 1800
Denver, CO 80265

October 30, 2008

VIA CERTIFIED MAIL- RETURN RECEIPT REQUESTED
7000-1670-0008-8577-2503

Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

RE: Dewey #1
NENE Sec 19 T30N R13W
San Juan County, New Mexico

Dear Landowner,

Pursuant to paragraph 1 (b) of subsection F of 19.15.17.13 NMAC, an operator shall provide the surface owner of the operator's proposal to close the temporary pit on-site in compliance with the dig and haul closure methods specified in the same subsection of the NMAC. In compliance of this requirement, please consider this notification of McElvain's intent to close the temporary pit on the above referenced location.

If you have any questions please contact Ron Millet @ 303-893-0933 ex 375.

Sincerely

Deborah Powell
Engineering Tech Superviso

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7000 -1670-0008-8577-2503

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

Submit To Appropriate District Office
Two Copies
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd , Aztec, NM 87410
District IV
1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
July 17, 2008

1. WELL API NO.
30-045-34323

2 Type of Lease
☐ STATE ☐ FEE ☒ FED/INDIAN

3 State Oil & Gas Lease No

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4 Reason for filing

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☒ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19 15 17 13 K NMAC)

5 Lease Name or Unit Agreement Name
Dewey

6 Well Number
1

7 Type of Completion
☒ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator
McElvain Oil & Gas Properties, Inc

9 OGRID
22044

10. Address of Operator
1050 17th Street , Suite 1800, Denver, Co 80265

11 Pool name or Wildcat
Basin Fruitland Coal

12.Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:										
BH:										

13 Date Spudded	14 Date T D Reached	15 Date Rig Released	16 Date Completed (Ready to Produce)	17 Elevations (DF and RKB, RT, GR, etc)
		11/15/2007		

18 Total Measured Depth of Well	19 Plug Back Measured Depth	20 Was Directional Survey Made?	21. Type Electric and Other Logs Run

22. Producing Interval(s), of this completion - Top, Bottom, Name

23 **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25 TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26 Perforation record (interval, size, and number)

27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28 **PRODUCTION**

Date First Production	Production Method *(Flowing, gas lift, pumping - Size and type pump)*	Well Status *(Prod or Shut-in)*

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl	Gas - Oil Ratio

Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - *(Corr)*

29 Disposition of Gas *(Sold, used for fuel, vented etc)*

30 Test Witnessed By

31 List Attachments

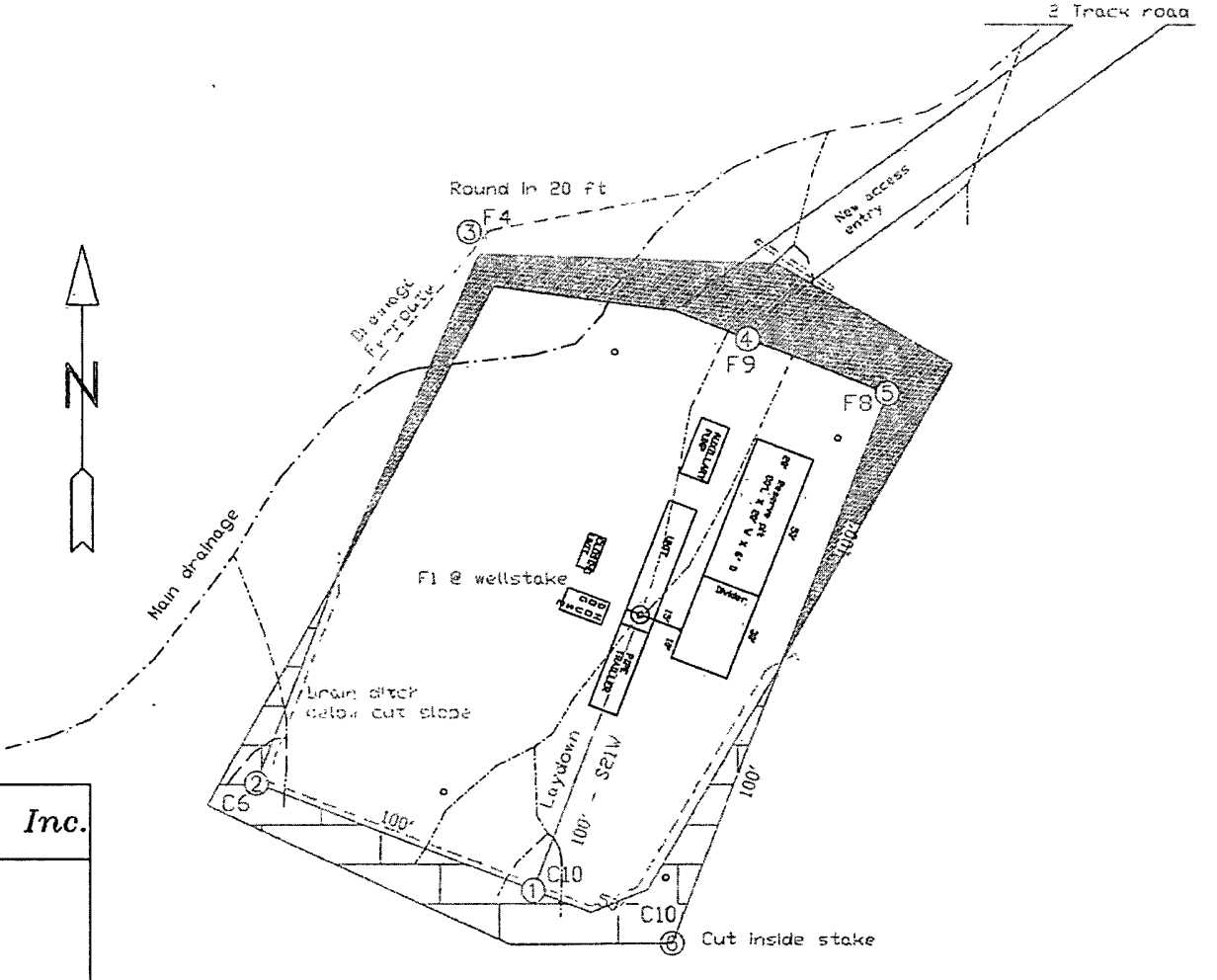
32 If a temporary pit was used at the well, attach a plat with the location of the temporary pit Attached

33 If an on-site burial was used at the well, report the exact location of the on-site burial

Latitude Longitude NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature	Printed Name	Title	Date
E-mail AddressDebbyP@ McElvain.com	Deborah K Powell	Eng Tech Supervisor	1/28/2009



Scale: 1 inch = 60 feet

McElvain Oil & Gas Properties, Inc.

Wellsite Layout

Dewey No. 1
760' FNL & 1095' FEL
Section 19, T30N, R13W, NMPM
San Juan Co., New Mexico

Envirotech
5796 US Hwy 64
Farmington, NM 87401
Phone: 505-632-0615
Fax: 505-632-1865

ENVIROTECH INC.

To:
McElvain Oil & Gas Prop Inc.
PO Box 5610
Farmington, NM 87499-5610

Invoice

Invoice Number: 21926
Job: 06039-0014
DATE: October 20,2008

Dewey #1- Drill Pit Sampling

Ordered by Mr. Art Merrick

Project Manager: Kyle Kerr

Employee	Staff Type	Description	Units		Rate	Total
09/05/2008						
Labor						
James McDaniel	Staff Engineer/Scientist	Sampling	1.00	Hrs	59.50	59.50
		Labor Total:	**1.00**			**59.50**
Equipment						
(941) : Support Vehicle		J. McDaniel-Sampling	1.00	Hours	15.00	15.00
		Equipment Total:	**1.00**			**15.00**
Material & Supplies						
		Baller	1.00	day	15.00	15.00
		GPS - Global Positioning Sat	1.00	day	25.00	25.00
		Environmental Field Supplies	1.00	ea	25.00	25.00
		Material & Supplies Total:	**3.00**			**65.00**
		09/05/2008 Total:	**5.00**			**139.50**
09/15/2008						
Lab						
Total Chloride Analysis		COC 5225	1.00	ea	15.00	15.00
USEPA 418.1 TPH		COC 5225	1.00	ea	74.00	74.00
USEPA 8015 TPH		COC 5225	1.00	ea	80.00	80.00
USEPA 8021 BTEX		COC 5225	1.00	ea	80.00	80.00
		Lab Total:	**4.00**			**249.00**
		09/15/2008 Total:	**4.00**			**249.00**

Invoice # 21926 Job # 06039-0014

Employee	Staff Type	Description	Units		Rate	Total
09/18/2008						
Labor						
Roxana Pringle	Administrator	Drill Pit Sampling Report	0.75	Hrs	55.00	41.25
		Labor Total:	**0.75**			**41.25**
		09/18/2008 Total:	**0.75**			**41.25**
09/19/2008						
Labor						
Greg Crabtree	Project Engineer/Scientist	Review Drill Sampling Rpt	0.25	Hrs	69.00	17.25
		Labor Total:	**0.25**			**17.25**
		09/19/2008 Total:	**0.25**			**17.25**
10/07/2008						
Labor						
Kyle Kerr	Sr. Engineer/Scientist	Review & approve report	0.25	Hrs	89.00	22.25
		Labor Total:	**0.25**			**22.25**
		10/07/2008 Total:	**0.25**			**22.25**
10/08/2008						
Labor						
Roxana Pringle	Administrator	Proof,edit,copy report	0.25	Hrs	55.00	13.75
		Labor Total:	**0.25**			**13.75**
		10/08/2008 Total:	**0.25**			**13.75**

Equipment Fuel Surcharge (22%)	3.30
Invoice Sub-total	486.30
Sales Tax	30.09
Amount due this Invoice	$516.39

All invoices are due upon receipt. A late charge of 1.5% will be added to any unpaid balance after 30 days.

This may not be the final bill - if charges are received after this invoice has been mailed, you will receive a separate invoice for those costs.

RECEIVED
NOV 05 2008
SLVAIN OIL & GAS
PROPERTIES INC.

Code: 5610
OCT 28 2008
Approved: WAM

Industrial Ecosystems Inc.
P.O. Box 1202
Flora Vista, NM 87415
PH: (505) 632-1782 Fax: (505) 632-1876
TAX I.D. #94-3200034

RECEIVED
DEC -5 2008
McELVAIN OIL & GAS PROPERTIES INC.

Invoice Number: 10491
Invoice Date: Nov 30, 2008
Page: 1

PLEASE REMIT PAYMENT TO:
Industrial Ecosystems, Inc.
PO Box 1202
Flora Vista, NM 87415

Permit # NM01-0010B

Sold To: MCELVAIN OIL AND GAS
1050 17TH ST STE 1800
DENVER, CO 80265

Location: DEWEY #1

Contact	Payment Terms	Due Date	Customer PO
DEWEY #1	Net 30 Days	12/30/08	

Quantity	Description	Unit Price	Extension
	DATE OF SERVICE: 11/26/08		
	IEI WO #8316		
	MATERIAL TRANSPORTED BY CONSOLIDATED CONSTRUCT, 13/01		
	DISPOSED OF CONTAMINATED SOIL		
66.00	DISPOSAL PER YARD	20.00	1,320.00

Code: 4015
DEC 09 2008
Approved: RLM

FOR BILLING INQUIRIES PLEASE CALL
(505) 632-1782

ACCOUNTS ARE DUE NET 30 DAYS. PURCHASER AGREES TO PAY FINANCE CHARGES OF 1.5% PER MONTH (ANNUAL PERCENTAGE RATE OF 18%) OR A MINIMUM CHARGE OF .50 PER MONTH. ACCOUNTS THAT HAVE BEEN PLACED FOR COLLECTION WILL BE CHARGED A $100.00 COLLECTION FEE IN ADDITION TO REASONABLE ATTORNEY FEES AND COLLECTION CHARGES.

Subtotal	1,320.00
Sales Tax	
Total Invoice Amount	1,320.00
TOTAL	1,320.00

12-8-29

Industrial Ecosystems Inc.
P.O. Box 1202
Flora Vista, NM 87415
PH: (505) 632-1782 Fax: (505) 632-1876
TAX I.D. #94-3200034

RECEIVED
DEC - 9 2008
McELVAIN OIL & GAS PROPERTIES INC.

Invoice Number: 10447
Invoice Date: Nov 30, 2008
Page: 1

PLEASE REMIT PAYMENT TO:
Industrial Ecosystems, Inc.
PO Box 1202
Flora Vista, NM 87415

Permit # NM 01-0010B

Sold To: MCELVAIN OIL AND GAS
1050 17TH ST STE 1800
DENVER, CO 80265

Location: DEWEY #1

Contact	Payment Terms	Due Date	Customer PO
DEWEY #1	Net 30 Days	12/30/08	

Quantity	Description	Unit Price	Extension
	DATE OF SERVICE: 11/25/08		
	IEI WO. #8307		
	MATERIAL TRANSPORTED BY CONSOLIDATED CONSTRUCT, 01/03/DT1		
	DISPOSED OF CONTAMINATED SOIL		
1.00	CHLORIDE TEST	15.00	15.00
234.00	DISPOSAL PER YARD	20.00	4,680.00

Code: 4015
DEC 09 2008
Approved: RLM

FOR BILLING INQUIRIES PLEASE CALL
(505) 632-1782

ACCOUNTS ARE DUE NET 30 DAYS. PURCHASER AGREES TO PAY FINANCE CHARGES OF 1.5% PER MONTH (ANNUAL PERCENTAGE RATE OF 18%) OR A MINIMUM CHARGE OF .50 PER MONTH. ACCOUNTS THAT HAVE BEEN PLACED FOR COLLECTION WILL BE CHARGED A $100.00 COLLECTION FEE IN ADDITION TO REASONABLE ATTORNEY FEES AND COLLECTION CHARGES.

Subtotal	4,695.00
Sales Tax	
Total Invoice Amount	4,695.00
TOTAL	4,695.00

12-8-08

envirotech

January 21, 2009 Project No. 06039-0018

Mr. Art Merrick
McElvain Oil & Gas Properties, Inc.
P.O. Box 5610
Farmington, New Mexico 87499 Phone: (505) 327-2679

RE: DEWEY #1 DRILL PIT CLOSURE SAMPLING RESULTS

Dear Mr. Merrick,

Enclosed please find the field notes and laboratory analyses for the drill pit closure activities performed at the Dewey #1 well site located in Section 19, Township 30N, Range 13W, San Juan County, New Mexico. Prior to Envirotech's arrival, the drill pit had been excavated to approximately 75' x 21' x 9' deep. A five-point composite sample was collected from the bottom of the drill pit. The five-point composite sample was analyzed in the field for total petroleum hydrocarbons (TPH) via USEPA Method 418.1 and for chlorides. Additionally, the five-point composite sample was collected into a four (4) ounce glass jar, capped headspace free, and transported on ice under chain of custody to Envirotech's laboratory to be analyzed for total chlorides via USEPA Method 4500, for benzene and BTEX via USEPA Method 8021, and GRO/DRO via USEPA Method 8015, see enclosed ***Analytical Results***. The sample returned results below the New Mexico Oil Conservation Division (NMOCD) regulatory standards determined for this site at 16 ppm TPH, 170 ppm chlorides, and non-detect for benzene, BTEX, and DRO/GRO. Envirotech, Inc. recommends no further action is required.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact our office at (505) 632-0615.

Respectfully Submitted,
ENVIROTECH, INC.

Greg Crabtree
Environmental Engineer
gcrabtree@envirotech-inc.com

Enclosure: Field Notes
Analytical Results

Cc: Client File No. 06039

PAGE NO: 1 OF 1

DATE STARTED: 11/26/08
DATE FINISHED: 11/26/08

ENVIROTECH INC

ENVIRONMENTAL SCIENTISTS & ENGINEERS
5796 U.S. HIGHWAY 64 - 3014
FARMINGTON, NEW MEXICO 87401
PHONE: (505) 632-0615

ENVIRONMENTAL SPECIALIST: Stutt
LAT: 36.80389°
LONG: 108.24120°

FIELD REPORT: BGT / PIT CLOSURE VERIFICATION

LOCATION: NAME: Davies WELL #: # 1 TEMP PIT: X PERMANENT PIT: BGT:
LEGAL ADD: UNIT: SEC: 19 TWP: 30N RNG: 13W PM: NMPM
QTR/FOOTAGE: 1760' FNL & 1095 FEL CNTY: San Juan ST: NEW

EXCAVATION APPROX: 75' FT. X 21' FT. X 9' FT. DEEP CUBIC YARDAGE:
DISPOSAL FACILITY: REMEDIATION METHOD:
LAND OWNER: API: 3004534345 BGT / PIT VOLUME: 15'X21'X9'
CONSTRUCTION MATERIAL: DOUBLE-WALLED, WITH LEAK DETECTION:

LOCATION APPROXIMATELY: 40' FT. FROM WELLHEAD
DEPTH TO GROUNDWATER: 7100

___ TEMPORARY PIT - GROUNDWATER 50-100 FEET DEEP
BENZENE ≤ 0.2 mg/kg, BTEX ≤ 50 mg/kg, GRO & DRO FRACTION (8015) ≤ 500 mg/kg, TPH (418.1) ≤ 2500 mg/kg, CHLORIDES ≤ 500 mg/kg

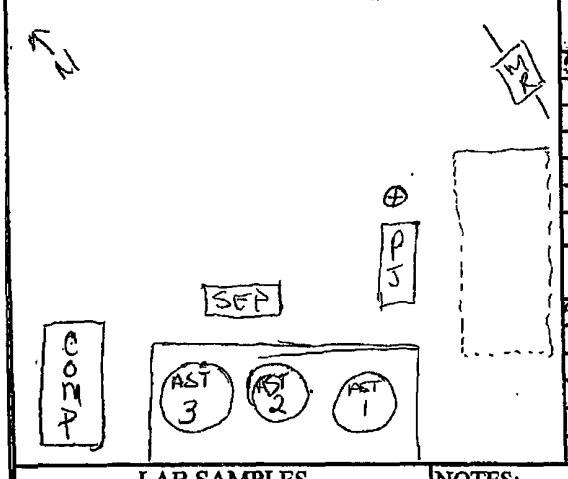
___ TEMPORARY PIT - GROUNDWATER ≥100 FEET DEEP
BENZENE ≤ 0.2 mg/kg, BTEX ≤ 50 mg/kg, GRO & DRO FRACTION (8015) ≤ 500 mg/kg, TPH (418.1) ≤ 2500 mg/kg, CHLORIDES ≤ 1000 mg/kg

___ PERMANENT PIT OR BGT
BENZENE ≤ 0.2 mg/kg, BTEX ≤ 50 mg/kg, TPH (418.1) ≤ 100 mg/kg, CHLORIDES ≤ 250 mg/kg

FIELD 418.1-ANALYSIS

TIME	SAMPLE I.D.	LAB NO.	WEIGHT (g)	mL FREON	DILUTION	READING	CALC. (mg/kg)
10:30	200 STD					200	
10:55	5pt Comp	1	5	20	4	04	16
		2					
		3					
		4					
		5					
		6					

PERIMETER



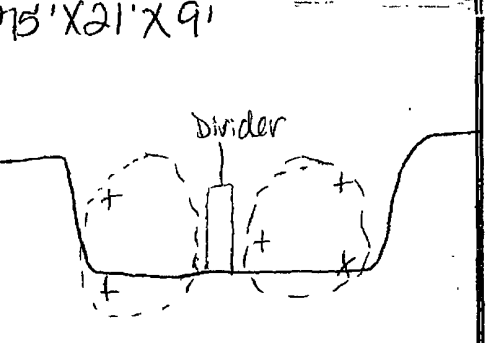
FIELD CHLORIDES RESULTS

SAMPLE ID	READING	CALC. (mg/kg)
5pt Comp	0.62	831

PID RESULTS

SAMPLE ID	RESULTS (mg/kg)
5pt Comp	0.0

PROFILE



LAB SAMPLES

SAMPLE ID	ANALYSIS	RESULTS
	BENZENE	
	BTEX	
	GRO & DRO	
5pt Comp	CHLORIDES	831

NOTES:

WORKORDER # WHO ORDERED

envirotech

EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	McElvain Oil & Gas	Project #:	06039-0018
Sample No.:	1	Date Reported:	12/8/2008
Sample ID:	5 pt comp	Date Sampled:	11/26/2008
Sample Matrix:	Soil	Date Analyzed:	11/26/2008
Preservative:	Cool	Analysis Needed:	TPH-418.1
Condition:	Cool and Intact		

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**16**	**5.0**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **Dewey #1**

Instrument calibrated to 200 ppm standard. Zeroed before each sample

Sharon Putt
Analyst

Sharon Putt
Printed

Sherry Auckland
Review

Sherry Auckland
Printed

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CONTINUOUS CALIBRATION
EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS

Cal. Date: 26-Nov-08

Parameter	Standard Concentration mg/L	Concentration Reading mg/L
TPH	100	
	200	200
	500	
	1000	

The accepted percent relative deviation (%RSD) of the calibration factor is less than 20% over the working range.

Sharon Putt
Analyst

1/13/09
Date

Sharon Putt
Print Name

Sherry Auckland
Review

1/13/09
Date

Sherry Auckland
Print Name

envirotech

Field Chloride

Client:	McElvain Oil & Gas	Project #:	06039-0018
Sample No.:	1	Date Reported:	12/8/2008
Sample ID:	5 pt comp	Date Sampled:	11/26/2008
Sample Matrix:	Soil	Date Analyzed:	11/26/2008
Preservative:	Cool	Analysis Needed:	Chloride
Condition:	Cool and Intact		

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Field Chloride	**ND**	**31.0**

ND = Parameter not detected at the stated detection limit.

References: "Standard Methods for the Examination of Water and Wastewater", 18th ed., 1992
Hach Company Quantab Titrators for Chloride

Comments: **Dewey #1**

Sharon Putt
Analyst

Sharon Putt
Printed

Sherry Auckland
Review

Sherry Auckland
Printed

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Analytical Laboratory

EPA METHOD 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Client:	McElvain Oil & Gas	Project #:	06039-0018
Sample ID:	5pt Comp	Date Reported:	12-03-08
Laboratory Number:	48335	Date Sampled:	11-26-08
Chain of Custody No:	5832	Date Received:	11-26-08
Sample Matrix:	Soil	Date Extracted:	12-01-08
Preservative:	Cool	Date Analyzed:	12-02-08
Condition:	Intact	Analysis Requested:	8015 TPH

Parameter	Concentration (mg/Kg)	Det. Limit (mg/Kg)
Gasoline Range (C5 - C10)	**ND**	**0.2**
Diesel Range (C10 - C28)	**ND**	**0.1**
Total Petroleum Hydrocarbons	**ND**	**0.2**

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Dewey #1.**

Analyst

Review

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Analytical Laboratory

EPA Method 8015 Modified
Nonhalogenated Volatile Organics
Total Petroleum Hydrocarbons

Quality Assurance Report

Client:	QA/QC	Project #:	N/A
Sample ID:	12-02-08 QA/QC	Date Reported:	12-03-08
Laboratory Number:	48274	Date Sampled:	N/A
Sample Matrix:	Methylene Chloride	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	12-02-08
Condition:	N/A	Analysis Requested:	TPH

	Cal Date	Cal RF:	C-Cal RF:	% Difference	Accept. Range
Gasoline Range C5 - C10	05-07-07	1.0071E+003	1.0075E+003	0.04%	0 - 15%
Diesel Range C10 - C28	05-07-07	9.9126E+002	9.9165E+002	0.04%	0 - 15%

Blank Conc. (mg/L - mg/Kg)	Concentration	Detection Limit
Gasoline Range C5 - C10	ND	0.2
Diesel Range C10 - C28	ND	0.1
Total Petroleum Hydrocarbons	ND	0.2

Duplicate Conc. (mg/Kg)	Sample	Duplicate	% Difference	Accept. Range
Gasoline Range C5 - C10	ND	ND	0.0%	0 - 30%
Diesel Range C10 - C28	ND	ND	0.0%	0 - 30%

Spike Conc. (mg/Kg)	Sample	Spike Added	Spike Result	% Recovery	Accept. Range
Gasoline Range C5 - C10	ND	250	246	98.4%	75 - 125%
Diesel Range C10 - C28	ND	250	248	99.2%	75 - 125%

ND - Parameter not detected at the stated detection limit.

References: Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **QA/QC for Samples 48274 - 48279, 48301, 48302, and 48335.**

Analyst

Review

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Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	McElvain Oil & Gas	Project #:	06039-0018
Sample ID:	5pt Comp	Date Reported:	12-03-08
Laboratory Number:	48335	Date Sampled:	11-26-08
Chain of Custody:	5832	Date Received:	11-26-08
Sample Matrix:	Soil	Date Analyzed:	12-02-08
Preservative:	Cool	Date Extracted:	12-01-08
Condition:	Intact	Analysis Requested:	BTEX

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**0.9**
Toluene	**ND**	**1.0**
Ethylbenzene	**ND**	**1.0**
p,m-Xylene	**ND**	**1.2**
o-Xylene	**ND**	**0.9**
Total BTEX	**ND**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**96.0 %**
	1,4-difluorobenzene	**96.0 %**
	Bromochlorobenzene	**96.0 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Dewey #1**

Analyst

Review

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envirotech
Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	12-02-BT QA/QC	Date Reported:	12-03-08
Laboratory Number:	48274	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received.	N/A
Preservative:	N/A	Date Analyzed:	12-02-08
Condition:	N/A	Analysis:	BTEX

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF:	%Diff. Accept. Range 0 - 15%	Blank Conc	Detect. Limit
Benzene	1.1154E+006	1.1177E+006	0.2%	ND	0.1
Toluene	1.0288E+006	1.0309E+006	0.2%	ND	0.1
Ethylbenzene	1.0159E+006	1.0180E+006	0.2%	ND	0.1
p,m-Xylene	2.4039E+006	2.4087E+006	0.2%	ND	0.1
o-Xylene	1.0799E+006	1.0821E+006	0.2%	ND	0.1

Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect Limit
Benzene	ND	ND	0.0%	0 - 30%	0.9
Toluene	ND	ND	0.0%	0 - 30%	1.0
Ethylbenzene	ND	ND	0.0%	0 - 30%	1.0
p,m-Xylene	ND	ND	0.0%	0 - 30%	1.2
o-Xylene	ND	ND	0.0%	0 - 30%	0.9

Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	ND	50.0	48.0	96.0%	39 - 150
Toluene	ND	50.0	48.7	97.4%	46 - 148
Ethylbenzene	ND	50.0	48.0	96.0%	32 - 160
p,m-Xylene	ND	100	94.9	94.9%	46 - 148
o-Xylene	ND	50.0	52.0	104%	46 - 148

ND - Parameter not detected at the stated detection limit.

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996

Comments: **QA/QC for Samples 48274 - 48279, 48295, 48300, 48301, and 48335.**

Analyst

Review

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envirotech
Analytical Laboratory

Chloride

Client:	McElvain	Project #:	06039-0018
Sample ID:	5 pt Comp.	Date Reported:	12-04-08
Lab ID#:	48335	Date Sampled:	11-26-08
Sample Matrix:	Soil	Date Received:	11-26-08
Preservative:	Cool	Date Analyzed:	12-02-08
Condition:	Intact	Chain of Custody:	5832

Parameter	Concentration (mg/Kg)
Total Chloride	**170**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Dewey #1.**

Analyst

Review

5796 US Highway 64, Farmington, NM 87401 | Ph (505) 632-0615 Fr (800) 362-1879 Fx (505) 632-1865 lab@envirotech-inc.com envirotech-inc.com

CHAIN OF CUSTODY RECORD

5832

Client:	Project Name / Location:	ANALYSIS / PARAMETERS
McElvain	Dewey #1	
Client Address:	Sampler Name: SPutt	
Client Phone No.:	Client No.: 06039-0018	

Sample No./ Identification	Sample Date	Sample Time	Lab No.	Sample Matrix	No./Volume of Containers	Preservative $HgCl_2$	Preservative HCl	Preservative ice	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	PAH	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
5pt Comp.	11/26/08	10:55	48335	(Soil) Sludge Solid Aqueous	1 4oz			X	X	X								X				✓	✓
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
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				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
[signature]	11/26/08	13:40	[signature]	11/26/08	1340
Relinquished by: (Signature)			Received by: (Signature)		
Relinquished by: (Signature)			Received by: (Signature)		

ENVIROTECH INC.

5796 U.S. Highway 64 • Farmington, NM 87401 • Tel 505-632-0615

ACCENT Printing • Form 28-0807

Consolidated Constructors Inc.
PH: (505) 326-7771
1370 HWY 371
P.O BOX 629
FARMINGTON, N M
87499

invoice

INVOICE NO: 34126
INVOICE DATE: 12/31/08
Acct #: 004966
PAGE: 1

SOLD TO
MCELVAIN OIL & GAS PROPERTIES INC.
P.O. BOX 5610
FARMINGTON NM 87499-5610

SHIP TO
LOCATION: DEWEY1 RESERVE PITS
RECLAIM PIT
CCI JOB NO. 012005-18048

P.O. #:
Terms: NET 30
Shipped by: CCI TRUCKS
JOB #: 012005

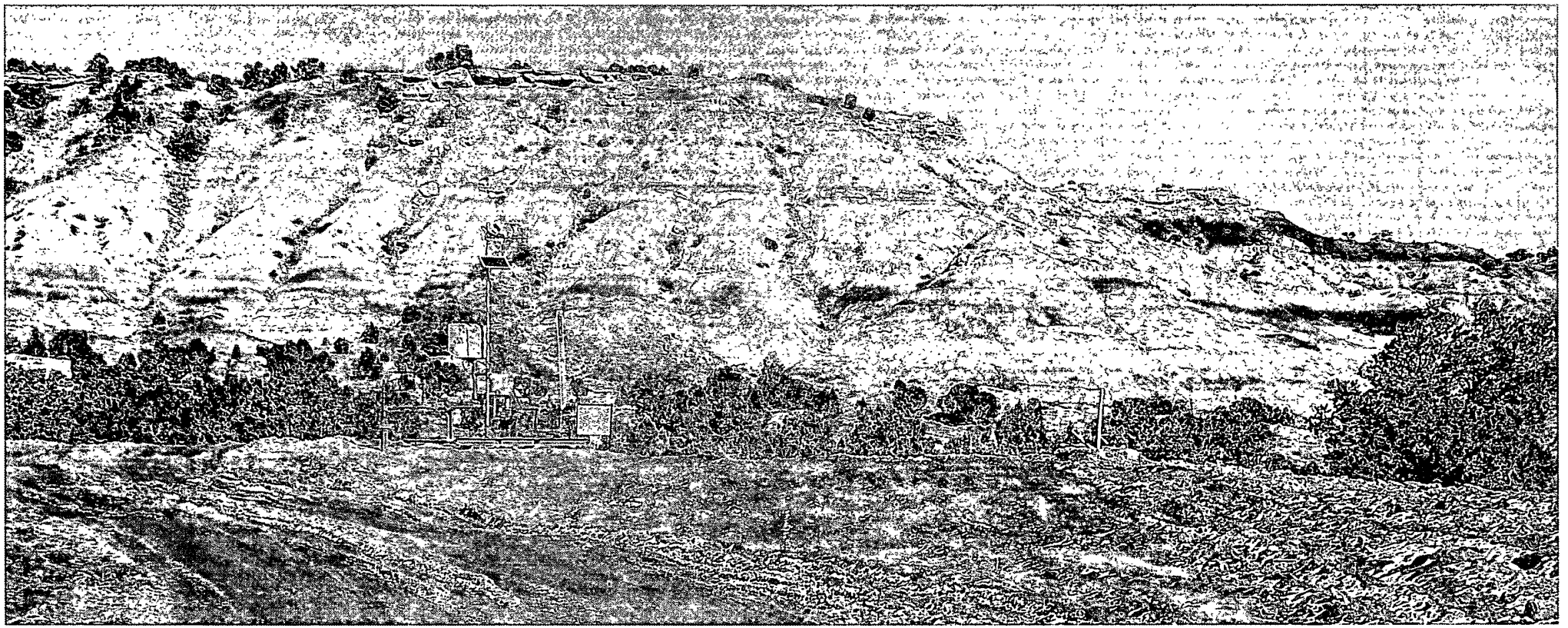
ITEM	ORDER	SHIP	DESCRIPTION	PRICE	AMOUNT
	LOCATION: DEWEY1 RESERVE PITS				
	1.00	1.00	LS - MOBILIZE EQUIPMENT TO LOCATION. DIG OUT RESERVE PIT, HAULED TO LAND FARM. TRUCKS BACK - HAULED FILL DIRT (33 TONS). DISPOSE OF PIT LINER WHEN PIT PASSES TEST AND COVER PIT WITH FILL DIRT.	3064.0000	3064.00

Code: 5015
JAN 26 2009
Approved: WAM

* - Denotes items which are not taxed.

Subtotal:	3064.00
Tax:	189.59
Total Due:	3253.59

YOU MAY NOW PAY THIS INVOICE BY CREDIT CARD - PLEASE CALL (505) 326-7771
Term: Due Upon Receipt Interest of 1 1/2% / Month may be applied.



McElvain Energy, Inc.
1050 – 17TH STREET, SUITE 2500
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.379
FAX 303-893-0914
e-mail jimm@mcelvain.com

December 30, 2011

Jonathon D. Kelly
Compliance Officer
Oil Conservation Division
Energy, Minerals & Natural Resources
1000 Rio Brazos, Aztec, NM 87410

Re: McElvain Energy, Inc. C-144 Corrections

Jonathan, in response to your email dated November 03, 2011, Subject: C-144 Corrections, please find appropriate corrections to the following McElvain Energy, Inc. C-144 Applications.

Permit	Well Name	API	Type
1045	Ora #8	30-039-29702	P-BGT
2435	Dewy #1	30-045-34323	C-Temp Pit
2436	Reya #1S	30-045-32846	C-Temp Pit
2437	Reya #2	30-045-34472	C-Temp Pit
4527	Ora #5	30-039-24252	P-BGT

The following summarizes the corrections included in the enclosed documents:

ORA #8; Permit #: 1045; 30-039-29702; **(1)** I have signed the C-144. **(2)** Our Hydrogeological Report (included) indicates depth to groundwater at >75' based upon two water well locations: One in the NE/4 of section 22, measured depth to water at 850', ground elevation 7,400'. The second in the SE/4 of section 23, depth to water 75', ground elevation 7,220'. No water well records were located in section 15. Topography accounts for this range of depths to water. The Ora #8 location is at a ground elevation of 7,306', an elevation between that of the two water wells. **(3)** Siting Criteria has been amended to include 19.15.17.10.A.1 citations. **(4)** Lat/Lon is now in decimal format and taken from NMOCD web site. **(5)** The Benzene Test in bullet 7 of closure requirement is now included.

Dewy #1; Permit #: 2435; 30-045-34323; **(1)** I have downloaded the approved C-144 with the number 2435 written on it from the NMOCD web site. It does have a signature and **(2)** does include a C-102. I hope this suffices for items **(1)** and **(2)**. **(3)** I have included 2 pictures of the steel pit marker. **(4)** In error we notified Brandon Powell of the NMOCD verbally but now realize that written notification by email 72 hours prior to commencing closure operations is the requirement.

Reya #1S; Permit #: 2436; 30-045-32846; **(1)** I have downloaded the approved C-144 with the number 2436 written on it from the NMOCD web site. It does have a signature and **(2)** does include a C-102. I hope this is sufficient for items **(1)** and **(2)**. **(3)** I have included 2 pictures of the steel pit marker. **(4)** In error we notified Brandon Powell of the NMOCD verbally and discussed sampling requirements but now realize that written notification by email 72 hours prior to commencing closure operations is the requirement.

Reya #2; Permit #: 2437; 30-045-34472; **(1)** I have downloaded the approved C-144 with the number 2437 written on it from the NMOCD web site. It does have a signature and **(2)** does include a C-102. I hope this suffices for items **(1)** and **(2)**. **(3)** I have included 2 pictures of the steel pit marker. **(4)** In error we notified Brandon Powell of the NMOCD verbally but now realize that written notification by email 72 hours prior to commencing closure operations is the requirement.

Ora #5: Permit #: 4527; 30-039-24252; **I want to make it clear that our intention is to permit the existing BGT and not to remove it**. **(1)** I have signed the C-144. **(2)** Our Hydrogeological Report (included) indicates depth to groundwater at >100' based upon two water well locations: One in the NE/4 of section 22, measured depth to water at 850', ground elevation 7,400'. The second in the NE/4 of section 27, depth to water 650', ground elevation 7,370'. No water well records were located in section 21 Topography accounts for this range of depths to water. The Ora #5 location is at a ground elevation of 7,340', an elevation between that of the two water wells. **(3)** Siting Criteria has been amended to include 19.15.17.10.A.1 citations. **(4)** The Benzene Test in bullet 7 of closure requirement is now included. ***(5) You indicated a missing C-141 (Release Notification and Corrective Action Form). We have never had a release of any type on the Ora #5 location.***

Please contact me if you require any further changes to these applications

Sincerely,

Jim McKinney
Operations Engineer
(303) 893-0933, X379
(720) 227-4550 (Mobile)
(303) 355-1989 (Home)

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

2007 MAY 17 AM 11:34

RECEIVED

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
	71629	BASIN FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
23368	DEWEY	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
22044	McELVAIN OIL AND GAS PROPERTIES, INC.	5601'

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	19	30N	13W		760'	NORTH	1095'	EAST	SAN JUAN

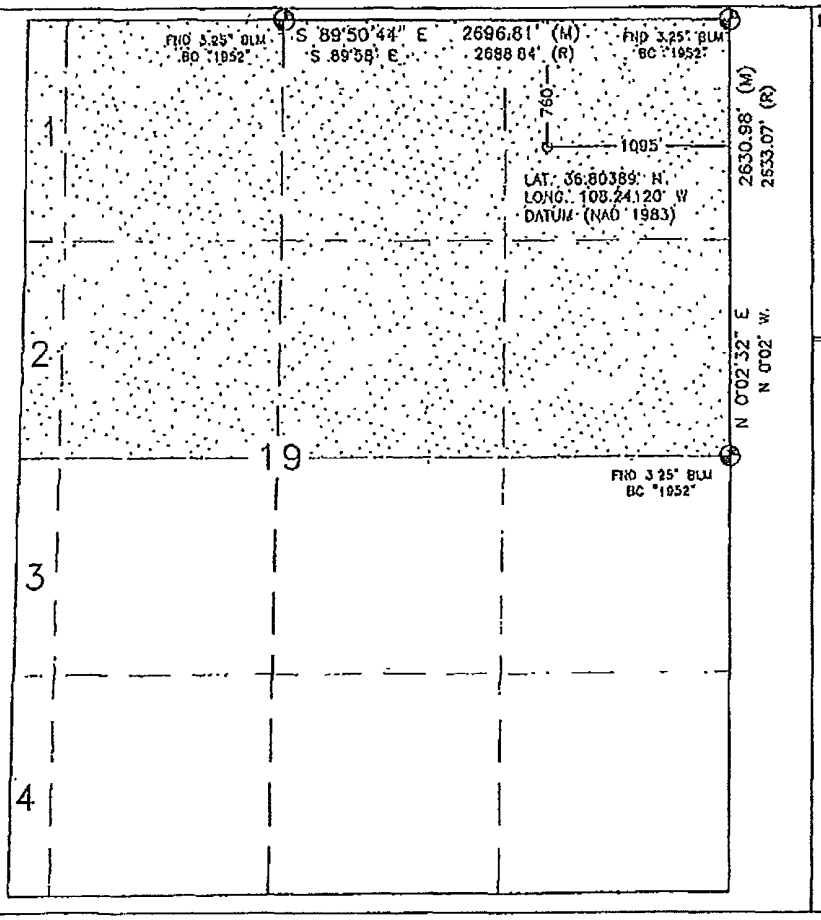
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No
~~259.05~~ 259.18 ACRES – N/2			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

[16]



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner or a compulsory pooling order heretofore entered by the division.

Robert E. Fielder 3/11/07
Signature Date

Robert E. Fielder
Printed Name

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 20, 2007
Date of Survey

Signature and Seal of Professional Surveyor:

David R. Russell

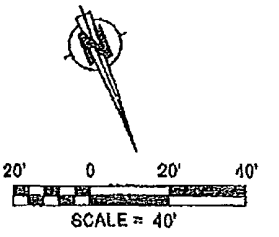
DAVID R. RUSSELL NEW MEXICO 10201 REGISTERED PROFESSIONAL LAND SURVEYOR

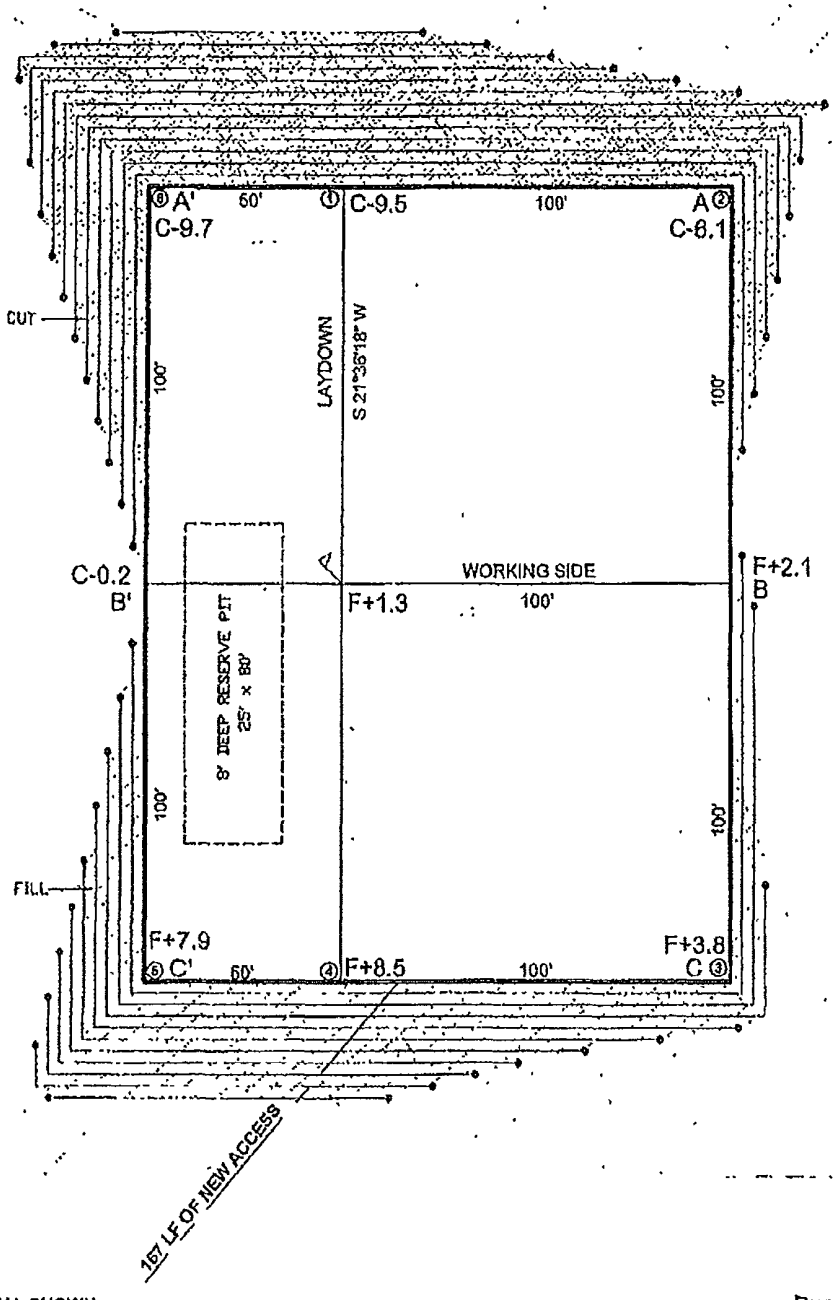
DAVID RUSSELL
Certificate Number 10201

LATITUDE: 36.80389°N
LONGITUDE: 108.24120°W
DATUM: NAD 83

McELVAIN OIL AND GAS PROPERTIES, INC.

DEWEY #1
760' FNL & 1095' FEL
LOCATED IN THE NE/4 NE/4 OF
SECTION 19, T30N, R13W, N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO
GROUND ELEVATION: 5601', NAVD 88
FINISHED PAD ELEVATION: 5601.8', NAVD 88





1 FOOT CONTOUR INTERVAL SHOWN
SCALE: 1" = 40'
JOB No.: MCLV004
DATE: 04/24/07

Russell Surveying
1409 W. Aztec Blvd. #5
Aztec, New Mexico 87410
(505) 334-8637

GRR