

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.

RECEIVED

JUN 1 2016

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM03556
2. Name of Operator MCELVAIN ENERGY INC.		6. If Indian, Allottee or Tribe Name
Contact: TONY G COOPER E-Mail: TONY.COOPER@MCELVAIN.COM		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 1050 17TH STREET STE 2500 DENVER, CO 80265	3b. Phone No. (include area code) Ph: 303-962-6489	8. Well Name and No. SCHMITZ 2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 16 T25N R3W Mer NMP SWNW 1850FNL 790'FWL		9. API Well No. 30-039-23041
		10. Field and Pool, or Exploratory GALLUP DAKOTA, MESAVERDE
		11. County or Parish, and State RIO ARriba COUNTY, NM

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	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input 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 recompleting 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 recompleting 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.)

ON SEPTEMBER 1ST 2005 MCELVAIN OIL AND GAS PROPERTIES BECAME OPERATOR OF RECORD FROM LITTLE OIL AND GAS. OUR HISTORICAL RECORDS SHOW THAT THE OJITO, GALLUP, DAKOTA, AND MESAVERDE FORMATIONS WERE COMINGLED DOWNHOLE ON 10-30 1986 BY LITTLE OIL AND GAS.

OIL CONS. DIV DIST. 3

JUN 20 2016

14. I hereby certify that the foregoing is true and correct. Electronic Submission #341946 verified by the BLM Well Information System For MCELVAIN ENERGY INC., sent to the Rio Puerco	
Name (Printed/Typed) JOE KELLOFF	Title VP PROD & BUSINESS DEVELOPMENT
Signature (Electronic Submission)	Date 06/14/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Joe Hunt</u>	Title <u>Ge</u>	Date <u>6-15-16</u>
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 <u>FED</u>

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

NMOCDA

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

September 10, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Administrative Order No. DHC-626

Mr. A. R. Kendrick
Box 516
Aztec, New Mexico 87410

SEP 22 1986

DOY. 3

Re: Schmitz No. 2 Well, Unit E,
Sec. 16, T-25-N, R-3-W, NMPM,
Rio Arriba County, New Mexico
Blanco-Mesaverde & Ojito Gallup-Dakota Pools

Gentlemen:

Reference is made to your recent application on behalf of Curtis J. Little for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.4., total commingled oil production from the subject well shall not exceed 60 barrels per day, and total water production from the well shall not exceed 120 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the allowable for the respective prorated gas pool as printed in the Oil Conservation Division's San Juan Basin Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Mesaverde Pool: Oil 12%, Gas 89%
Gallup Dakota Pool: Oil 88%, Gas 11%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'R. L. Stamets', is written over a horizontal line.

R. L. STAMETS,
Director

cc: Gas Co. of N.M.
OCD District Office - Artesia
Bureau of Land Management - Farmington