

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

Form C-101  
Revised June 10, 2003

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

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address McElvain Oil & Gas Properties, Inc. 1050 17 <sup>th</sup> St., Suite 1800 Denver, CO 80265		<sup>2</sup> OGRID Number 22044
<sup>3</sup> Property Code 33338	<sup>5</sup> Property Name Badger 14	<sup>4</sup> API Number 30 - 039-27576
		<sup>6</sup> Well No. 1

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	25N	2W		785	North	1290	West	Rio Arriba

<sup>8</sup> Proposed 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
<sup>9</sup> Proposed Pool 1 Blanco Mesa Verde					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 7302'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 5914'	<sup>18</sup> Formation Mancos	<sup>19</sup> Contractor not selected	<sup>20</sup> Spud Date February 1, 2004

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12.250"	9.625"	36	500'	265	Surface
8.750"	7.000"	20	3649'	455	Surface
			Two stage	DV@1850'	
6.250"	4.500"	10.5	3530-5914'	245	3530'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Drill surface hole using fresh water mud. Run and cement surface casing with cement returns to surface. WOC 12 hours. Nipple up 11" 3M BOPE. Test to 600 psi minimum for 15 minutes. Drill intermediate hole to 3649' using fresh water mud. Run logs. Run intermediate casing and cement in two stages with cement returns to surface. WOC 12 hours. Test BOPE to 1500 psi for 15 minutes. Drill production hole to 5914' using air. Log well. Run production liner from TD to overlap into intermediate casing 120' minimum. Cement liner with returns to liner top. Move out drilling equipment. Move in completion equipment. Run cased hole correlation logs. Test casing to 3500 psi for 15 minutes. Perforate select Mesa Verde intervals and stimulate with 2% KCl water base fluid and 1500 # sand per foot. See attached drilling program for cement slurry details.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Robert E. Fielder</i>		Approved by: <i>[Signature]</i>	
Printed name: Robert E. Fielder		Title: DEPUTY OIL & GAS INSPECTOR, DIST. #8	
Title: Agent		Approval Date: JAN 14 2004 Expiration Date: JAN 14 2005	
E-mail Address: pmci@acs-online.net			
Date: January 13, 2004	Phone: (505) 632-3869	Conditions of Approval: Attached <input type="checkbox"/>	

District II  
PO Drawer DD, Artesia, NM 88211-0719

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30039-27576	*Pool Code 72319	*Pool Name BLANCO MESAVERDE
*Property Code 33338	*Property Name BADGER 14	*Well Number 1
*GRID No. 22044	*Operator Name McELVAIN OIL & GAS PROPERTIES	*Elevation 7302'

### <sup>10</sup> Surface Location

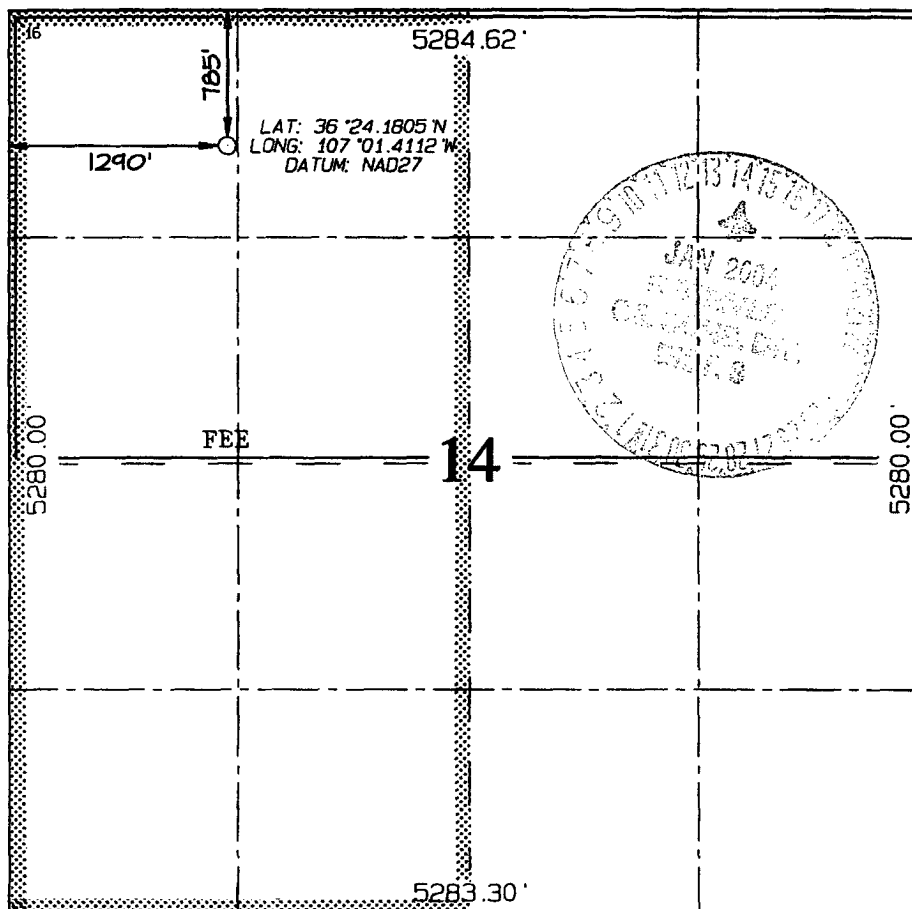
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	25N	2W		785	NORTH	1290	WEST	RIO ARriba

<sup>11</sup>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
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<sup>12</sup> Dedicated Acres	320.0 Acres - W/2	<sup>13</sup> Joint or Infill	Y	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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



**17 OPERATOR CERTIFICATION**

I hereby certify that the information  
contained herein is true and complete  
to the best of my knowledge and belief

Signature \_\_\_\_\_

Robert E. Fielder

Printed Name

## Agent

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January 13, 2004

Date \_\_\_\_\_

## 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.

Survey Date: OCTOBER 2, 2003

Signature and Seal of Professional Surveyor



JASON C. EDWARDS  
Certificate Number 15269

**Drilling Program**  
**McElvain Oil & Gas Properties, Inc.**  
**Badger 14 No. 1**  
Page Four

**6. Production Hole Program: - continued**

**Mud:** Air from Intermediate casing shoe to TD. If hole gets wet use a fresh water based low solids non dispersed system with the following properties: **Note:** Pull into intermediate casing to mud up.

<u>Interval (ft)</u>	<u>Weight (ppg)</u>	<u>pH</u>	<u>Vis(sec/qt)</u>	<u>Water Loss</u>
? - TD	8.6 - 9.0	9.0-9.5	28 - 40	8 - 10 cc

**Pressure Control:** A 2M psi BOP well control system will be utilized. BOP's and choke manifold will be installed and pressure tested to a minimum of 1500 psig before drilling out from under intermediate casing. Mechanical operation of pipe rams will be checked daily and blind rams will be checked on each trip out of hole. 4 1/2" rams will be installed before running production casing.

A full opening internal blowout preventor or drill pipe safety valve will be on the drill floor at all times and will be capable of fitting all connections.

**Logging Program:** Induction and Compensated density/Epithermal neutron logs from TD to intermediate casing shoe.

**Casing and Cementing Program:** Run 4 1/2" 10.5# J-55 production liner casing from TD to a minimum of 120' overlap into intermediate casing. Cement in a single stage with 135 sacks (271.35 cf) of 65/35 Class H Poz containing 5 pps Gilsonite and 0.25 pps celloflake mixed at 12.3 PPG to yield 2.01 cf/sk. Followed with 110 sacks (146.3 cf) of 50/50 Class H POZ with 2% gel, 5 pps Gilsonite, 0.25 pps celloflake, .4% fluid loss additive and .2% friction reducer mixed at 13.7 PPG to yield 1.33 cf/sk.

Slurry volumes assume a 70% excess over gauge hole volume to bring cement back into the intermediate casing. Cement volume is subject to change after review of open hole caliper log to caliper volume + 30%. Minimum clearance between couplings and hole is 0.625". Safety factors utilized in the design of this casing string were: burst = 1.1; collapse = 1.125; and tension = 1.8 or 100,000 lb over pull, whichever is greater.

**Centralizers:** Nine 4 1/2" X 6 1/8" rigid centralizers will be run across prospective pays of the Mesa Verde.

**Float Equipment:** Float shoe, 1 joint 4 1/2" 10.5 # casing, and plug landing collar. TIW 7" X 4 1/2" linger hanger.

**7. Auxiliary Equipment:**

An upper kelly cock will be utilized. The handle will be available on rig floor at all times