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

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

Form C-101
Revised June 10, 2003

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

[1] Operator Name and Address	[2] OGRID Number
McElvain Oil & Gas Properties, Inc. 1050 17th St., Suite 1800 Denver, CO 80265	22044
	[3] API Number 30 - 039-27576

[3] Property Code	[5] Property Name	[6] Well No.
33338	Badger 14	1

[7] 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

[8] 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

[9] Proposed Pool 1	[10] Proposed Pool 2
Blanco Mesa Verde	

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

[21] 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'

[22] 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 cemenrt 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.

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: Robert E. Fielder

Printed name: Robert E. Fielder

Title: Agent

E-mail Address: pmci@acs-online.net

Date: January 13, 2004 | Phone: (505) 632-3869

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3

Approval Date: JAN 14 2004 | Expiration Date: JAN 14 2005

Conditions of Approval:

Attached ☐

District I
PO Box 1980, Hobbs, NM 88241-1980

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
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
30039-27576	72319	BLANCO MESAVERDE

4 Property Code	5 Property Name	6 Well Number
33338	BADGER 14	1

7 OGRID No.	8 Operator Name	9 Elevation
22044	McELVAIN OIL & GAS PROPERTIES	7302'

10 Surface Location

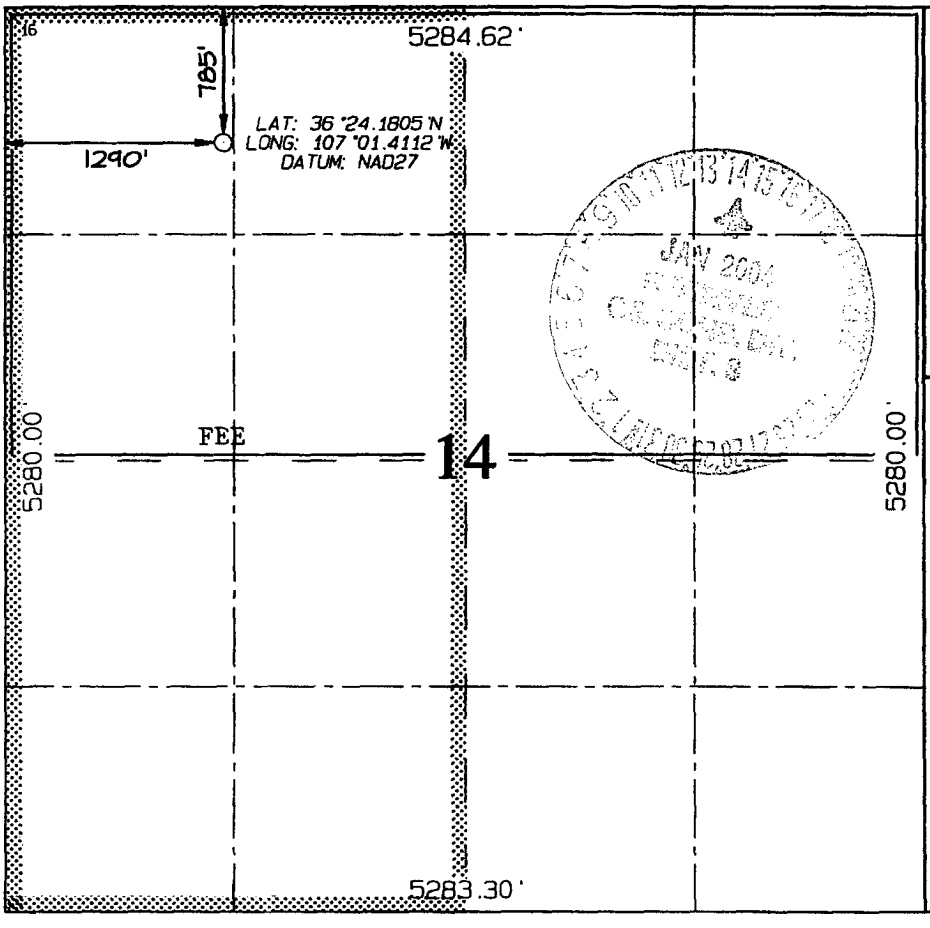
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	14	25N	2W		785	NORTH	1290	WEST	RIO ARRIBA

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.
320.0 Acres - W/2	Y		

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
Title

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
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

JASON C. EDWARDS
Certificate Number 15269

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.

Interval (ft)	Weight (ppg)	pH	Vis(sec/qt)	Water Loss
? - 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 ½" 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 ½" linger hanger.

7. **Auxiliary Equipment:**

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