

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD Artesia, NM 88210

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

WELL API NO.

30-039-26226

5. Indicate Type of Lease

STATE ☐

FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

2. Name of Operator

McElvain Oil and Gas Properties, Inc.

3. Address of Operator

1050 17th Street Suite 1800 Denver, CO 80265

4. Well Location

Unit Letter J : 1970 Feet From The SOUTH Line and 2125 Feet From The EAST Line

Section 33

Township 26N

Range 2W

NMPM

Rio Arriba County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

7506' GL

7. Lease Name or Unit Agreement Name

Cougar Com 33

8. Well No.

1

9. Pool name or Wildcat

Basin Dakota/Blanco Mesaverde

11.

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe Proposed or Completed

(Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work)

McElvain Oil and Gas Properties, Inc. proposes to downhole commingle the Blanco Mesaverde and Basin Dakota pools in this well. Division order R-11363 has established pre-approval for these pools. All interest owners have been notified via certified mail as to this request. A copy of the notification is attached.

The perforated intervals for both zones are listed below:

Basin Dakota: 7983'-8214'

Blanco Mesaverde: 5651'-5822' & 5886'-5962'

The allocation will be based on the monthly production rates for each zone after approximately 160 producing days.

OIL: 51% Dakota & 49% Mesaverde

GAS: 48% Dakota & 52% Mesaverde

WATER: 8% Dakota & 92% Mesaverde

This commingling will not reduce the value of the total remaining production. Federal lands are included in the spacing unit and the well is located on a federal lease. Notification has been sent to the BLM concerning this application.

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

SIGNATURE

TITLE Engineering Manager

DATE 1/31/2002

TYPE OR PRINT NAME John D. Steuble

TELEPHONE NO. 303-893-0933

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

McElvain Oil & Gas Properties, Inc.

INDEPENDENCE PLAZA
1050 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

JOHN D. STEUBLE
ENGINEERING MANAGER
E.mail johns@mcelvain.com

TELEPHONE 303-893-0933 EXT.302
FAX 303-893-0914

January 31, 2002

CERTIFIED, RETURN RECEIPT REQUESTED

T.H. McElvain Oil & Gas Limited Partnership
1050 17th Street, Suite 1800
Denver, CO 80265

RE: Commingle of Dakota and Mesaverde formations
Cougar Com 33 #1
NW/SE Section 33 T26N,R2W
Rio Arriba County, NM

Dear Interest Owner:

McElvain Oil and Gas Properties, Inc. is applying to the State of New Mexico for downhole commingling of the Dakota and Mesaverde formations in the referenced well. Based on production testing for approximately 160 days per zone the proposed allocation is as follows:

Oil: 51% Dakota 49% Mesaverde
Gas: 48% Dakota 52% Mesaverde
Water: 8% Dakota 92% Mesaverde

As an interest owner you have the right to object to this proposal by notifying the New Mexico Oil Conservation Division at the address below.

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Objections need to be documented within 20 days of this proposal being received by the NMOCD.

Should you have any questions concerning this proposal please feel free to give me a call at the number shown above.

Sincerely,

John D. Steuble
Engineering Manager