

DATE IN 10/16/09	SUSPENSE	ENGINEER DB	LOGGED IN 10/16/09	TYPE NSL	PT# 0928958242
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Mc Elvain #10

RECEIVED OCD

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

E. Reed Fischer

Print or Type Name

E. Reed Fischer

Signature

Senior Operations Engineer

Title

10/12/09

Date

reedf@mcelvain.com

e-mail Address

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET
SUITE 1800
DENVER, COLORADO 80265

E. REED FISCHER
SENIOR OPERATIONS ENGINEER
E-MAIL: REEDF@MCELVAIN.COM

TELEPHONE 303/893-0933 EXT. 330
FAX 303/893-0914

October 12, 2009

Mr. David Brooks
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application for Administrative Approval of Unorthodox Location
McElvain # 10 (API # 30-025-39520) - 10,100' Bone Spring Test in EK Bone Spring Pool
2,240' FSL & 990' FWL of Section 31, T18S-R34E
Lea County, New Mexico

Dear Mr. Brooks:


McElvain Oil & Gas Properties, Inc. (MOG) is requesting administrative approval of an unorthodox location for our federally permitted McElvain # 10 well. After two staking attempts, the well-bore location and its associated drill pad were situated to comply with a BLM "request" to avoid disturbing a sand dune complex viewed as potential sand dune lizard habitat. The final staking was conducted with the on-site assistance of Mr. Steve Bird, a Carlsbad BLM wildlife specialist, and will provide the necessary stand-off to allow for a closed loop drilling system and avoid disturbing the large dune complex situated generally west and south of the currently proposed well-bore.

The surface and mineral estate of the entire W/2 of Section 31 is owned by the Federal government and is also located within the boundaries of the expanded EK Bone Spring pool. There are 2 Federal leases covering this W/2 of Section 31. The SW/4 of Section 31 is covered by Federal Lease # NMLC-069457 and lease ownership is identical between the W/2SW/4 and the E/2SW/4 spacing units. The NW/4 of Section 31 is covered by Federal Lease # NM-0245247 and ownership is identical between the W/2NW/4 and the E/2NW/4 spacing units. All leasehold owners in the NW/4 of the section own an interest in the SW/4 of the section.

The distance between the current well-bore location from the center of the NWSW of Section 31 and its location within the EK Bone Spring pool has triggered the "unorthodox" location designation. Therefore, notification of this application is required and has been provided by certified mail to the leasehold owners in the NW/4 of the section. A copy of the notification letter and a list of the notified parties are attached.

MOG respectfully requests administrative approval for this unorthodox location. Should you need additional information, please contact the undersigned at (303) 893-0933 xtn 330.

Sincerely,



E. Reed Fischer

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 Department

Form C-102
Revised October 12, 2005

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name McELVAIN	Well Number 10
OGRID No.	Operator Name McELVAIN OIL AND GAS PROPERTIES	Elevation 3837'

Surface Location

UL or lot No. L	Section 31	Township 18 S	Range 34 E	Lot Idn	Feet from the 2240	North/South line SOUTH	Feet from the 990	East/West line WEST	County LEA
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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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

	<p>OPERATOR CERTIFICATION</p> <p>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 pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>E. Reed Fischer</i> 10/12/09 Signature Date</p> <p>E. Reed Fischer Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 19, 2008</p> <p>Date Surveyed</p> <p><i>Gary L. Jones</i> Signature Professional Surveyor No. 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

OWNERSHIP OF W/2 SEC. 31, T18S, R34E

Lea County, New Mexico

FEDERAL LEASE # NMLC-069457

T18S, R34E, Sec. 31
E/2SW/4 Surf. to 5,000'

	WI	NRI
THMLP	25.806452%	22.276393%
MOC	25.806452%	22.276393%
Ralph McElvain, Jr.	12.903226%	11.138196%
Jacqueline Withers	12.903226%	11.138196%
Roberta Regan Trust	.403225%	.341320%
Successor to ARCO BP America Production Co.??	9.677419%	8.353646%
Bethol Corporation	12.500000%	10.796875%

T18S, R34E, Sec. 31:
E/2SW/4 below 5,000'

THMLP	25.806452%	22.268328%
MOC	25.806452%	22.268328%
Ralph McElvain, Jr.	12.903226%	11.138196%
Jacqueline Withers	12.903226%	11.138196%
Roberta Regan Trust	6.653224%	5.735725%
Successor to ARCO BP America Production Co.??	9.677420%	8.350623%
Bethol Corporation	6.250000%	5.398438%

T18S, R34E, Sec. 31:
W/2SW/4 (Lots 3 & 4) - surf. to 5,000'

THMLP	25.806452%	21.495143%
MOC	25.806452%	21.495143%
Ralph McElvain, Jr.	12.903226%	10.747572%
Jacqueline Withers	12.903226%	10.747572%
Roberta Regan Trust	.403225%	.341320%
Successor to ARCO BP America Production Co.??	9.677419%	8.353646%
Bethol Corporation	12.500000%	10.406250%

FEDERAL LEASE # NMLC-069457

T18S, R34E, Sec. 31:

W/2SW/4 (Lots 3 & 4) – below 5,000’

THMLP	25.806452%	21.524880%
MOC	25.806452%	21.524880%
Ralph McElvain, Jr.	12.903226%	10.762440%
Jacqueline Withers	12.903226%	10.762440%
Roberta Regan Trust	6.653224%	5.559315%
Successor to ARCO BP America Production Co.??	9.677420%	8.218315%
Bethol Corporation	6.250000%	5.203125%

FEDERAL LEASE # NM-0245247

T18S, R34E, Sec. 31:

W/2NW/4 (Lots 1, 2) - ALL DEPTHS

McElvain Oil Company	25.000000%	20.812500%
THMLP	25.000000%	20.812500%
Ralph McElvain, Jr.	12.500000%	10.406250%
Jacquelin M. Withers	12.500000%	10.406250%
Bank of America, Ttee. For Regan Trust	25.000000%	20.812500%

T18S, R34E, Sec. 31:

E/2NW/4 - ALL DEPTHS

McElvain Oil Company	25.000000%	21.593750%
THMLP	25.000000%	21.593750%
Ralph McElvain, Jr.	12.500000%	10.795875%
Jacquelin M. Withers	12.500000%	10.796875%
Bank of America, Ttee. For Regan Trust	25.000000%	21.593750%

List of Parties Being Sent Notification of
Application for Administrative Approval of Unorthodox Location
McElvain #10 Well Operated by McElvain Oil & Gas Properties, Inc.
2240'' FSL and 990' FWL, Section 31, T18S, R34E
Lea County, New Mexico – Bone Spring Formation

October 13, 2009

McElvain Oil Company, L.P.
P. O. Box 801888
Dallas, Texas 75380

Mr. Ralph C. McElvain, Jr.
5318 S. Cottonwood Club Circle
Salt Lake City, UT 84117

T. H. McElvain Oil & Gas Limited Partnership
McElvain Oil & Gas Properties, Inc., General Partner
1050 17th Street, Suite 1800
Denver, Colorado 80237

Mrs. Jacquelin M. Withers
3429 Devonshire Way
Palm Beach Gardens, Florida 33418

Mr. Greg Holcomb, Vice President
Bank of America, N.A., Trustee
of Roberta M. Regan Trust
P. O. Box 2546
Fort Worth, TX 76113

McElvain Oil & Gas Properties, Inc.

1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail: linneah@mcelvain.com

October 13, 2009

McElvain Oil Company, L.P.
P. O. Box 801888
Dallas, Texas 75380

**SENT CERTIFIED, RETURN
RECEIPT REQUESTED**

Re: Application for Administrative Approval of Unorthodox Location
McElvain #10 Well Operated by McElvain Oil & Gas Properties, Inc.
2240" FSL and 990' FWL, Section 31, T18S, R34E
Lea County, New Mexico – Bone Spring Formation

Ladies and Gentlemen:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Division for administrative approval. Should you not agree with the request, please so notify the NMOCD within 20 days of the date of this application. If you have no objection to the application, please so indicate by signing and returning one copy of this letter to my attention at the letterhead address.

Should you need any additional information, please contact me at (303) 893-0933, Extension 349. Thank you for your attention to this matter.

Yours truly,

MCELVAIN OIL & GAS PROPERTIES, INC.


Linnea C. Hill, CPL, Senior Landman

LCH/Encs.

cc: Mr. David Brooks, NMOCD

_____ hereby waives notice of hearing and objection to the application by McElvain Oil & Gas Properties, Inc., for the non-standard location for the McElvain #10 Well, as depicted on the enclosed plat.

By: _____
Printed Name: _____
Date: _____

McElvain Oil & Gas Properties, Inc.

1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail: linneah@mcelvain.com

October 13, 2009

Mr. Ralph C. McElvain, Jr.
5318 S. Cottonwood Club Circle
Salt Lake City, UT 84117

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RECEIPT REQUESTED**

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Linnea C. Hill
Linnea C. Hill, CPL, Senior Landman

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1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail: linneah@mcelvain.com

October 13, 2009

T. H. McElvain Oil & Gas Limited Partnership
McElvain Oil & Gas Properties, Inc., General Partner
1050 17th Street, Suite 1800
Denver, Colorado 80237

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McElvain Oil & Gas Properties, Inc.

1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail: linneah@mcelvain.com

October 13, 2009

Mrs. Jacquelin M. Withers
3429 Devonshire Way
Palm Beach Gardens, Florida 33418

**CERTIFIED, RETURN RECEIPT
REQUESTED**

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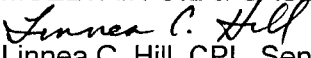
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Linnea C. Hill, CPL, Senior Landman

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Printed Name: _____
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DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail: linneah@mcelvain.com

October 13, 2009

Mr. Greg Holcomb, Vice President
Bank of America, N.A., Trustee
of Roberta M. Regan Trust
P. O. Box 2546
Fort Worth, TX 76113

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Linnea C. Hill
Linnea C. Hill, CPL, Senior Landman

LCH/Encs.

cc: Mr. David Brooks, NMOCD

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By: _____
Printed Name: _____
Date: _____

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, November 03, 2009 4:30 PM
To: 'Reed Fischer'
Cc: 'jay_spielman@nm.blm.gov'
Subject: McElvain Oil & Gas Properties, Inc. - McElvain #10; NSL Approval
Attachments: McElvain #10.doc

Dear Mr. Fischer

The OCD no longer mails original administrative orders.

This application was approved November 2, 2009, under Order No. NSL-6108 (unsigned copy attached).

The signed original will be posted on our website.

Sincerely

David K. Brooks
Legal Examiner