

DATE IN 3-19-10	SUSPENSE 4/3/10	ENGINEER WJ	LOGGED IN 3.19.10	TYPE SWD	PT6 W APP NO. 1007836183
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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



McElvain
Big Gulch #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-045-35043

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.

James M. McKinney, Jr.
Print or Type Name

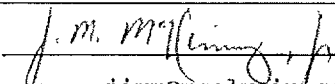
Signature

Operations Engineer
Title

03/19/2010
Date

jimm@mcelvain.com
e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: McElvain Oil & Gas Properties, Inc
ADDRESS: 1050 17th Street, Suite 1800, Denver, CO 80265
CONTACT PARTY: Jim McKinney PHONE: 303.893.0933
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Jim McKinney TITLE: Operations Engineer
SIGNATURE:  DATE: 02/05/10
E-MAIL ADDRESS: jimm@mcelvain.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

McElvain Oil & Gas Properties, Inc.
Big Gulp #1
Application for Authorization to Inject
Side 1 Part III - Well Data

INJECTION WELL DATA SHEET

OPERATOR: McElvain Oil & Gas Properties, Inc

WELL NAME & NUMBER: Big Gulp SWD #1

WELL LOCATION: 1807 FSL, 1117 FWL

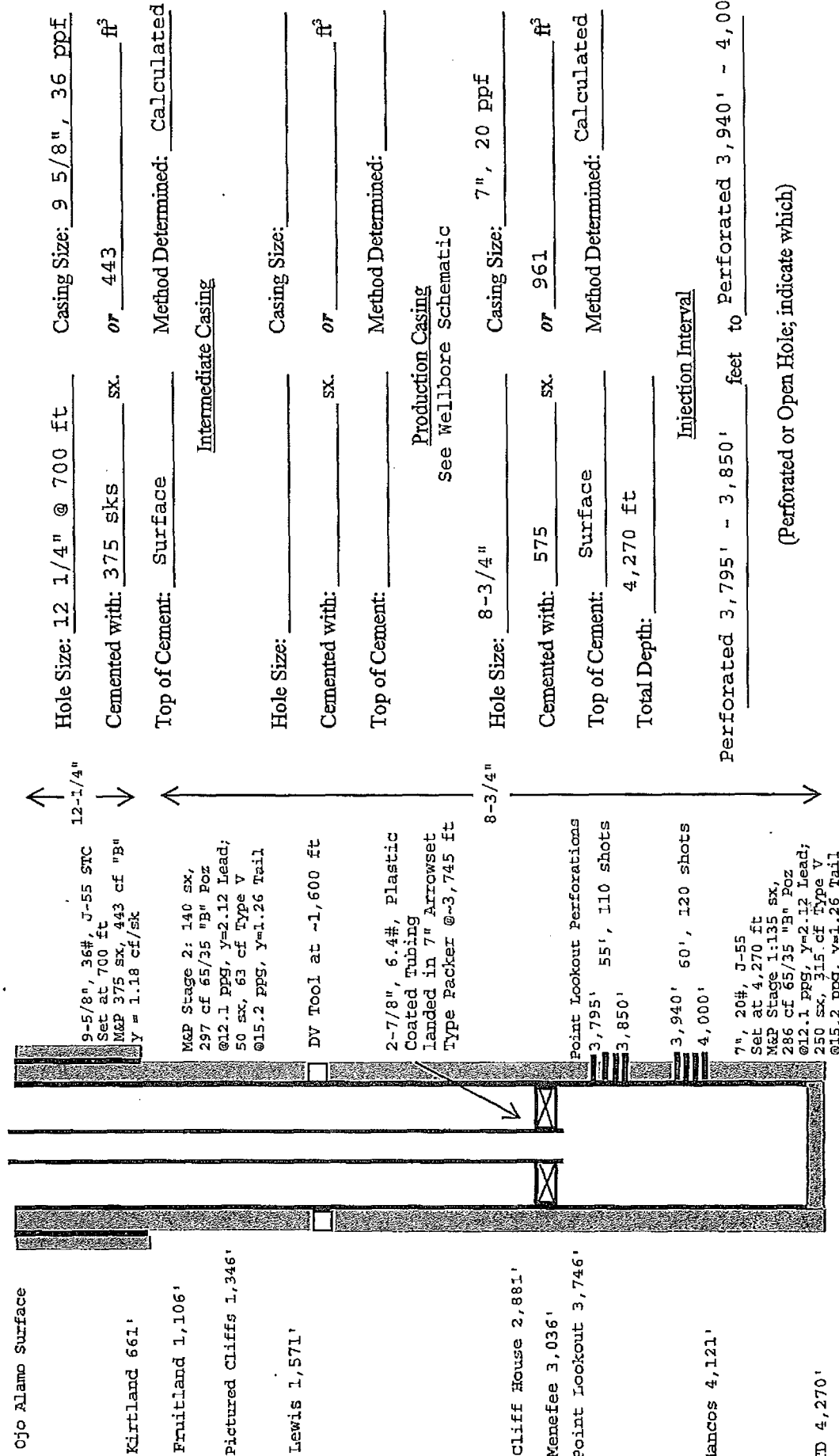
UNIT LETTER L SECTION 20 TOWNSHIP 30N RANGE 13W

FOOTAGE LOCATION

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

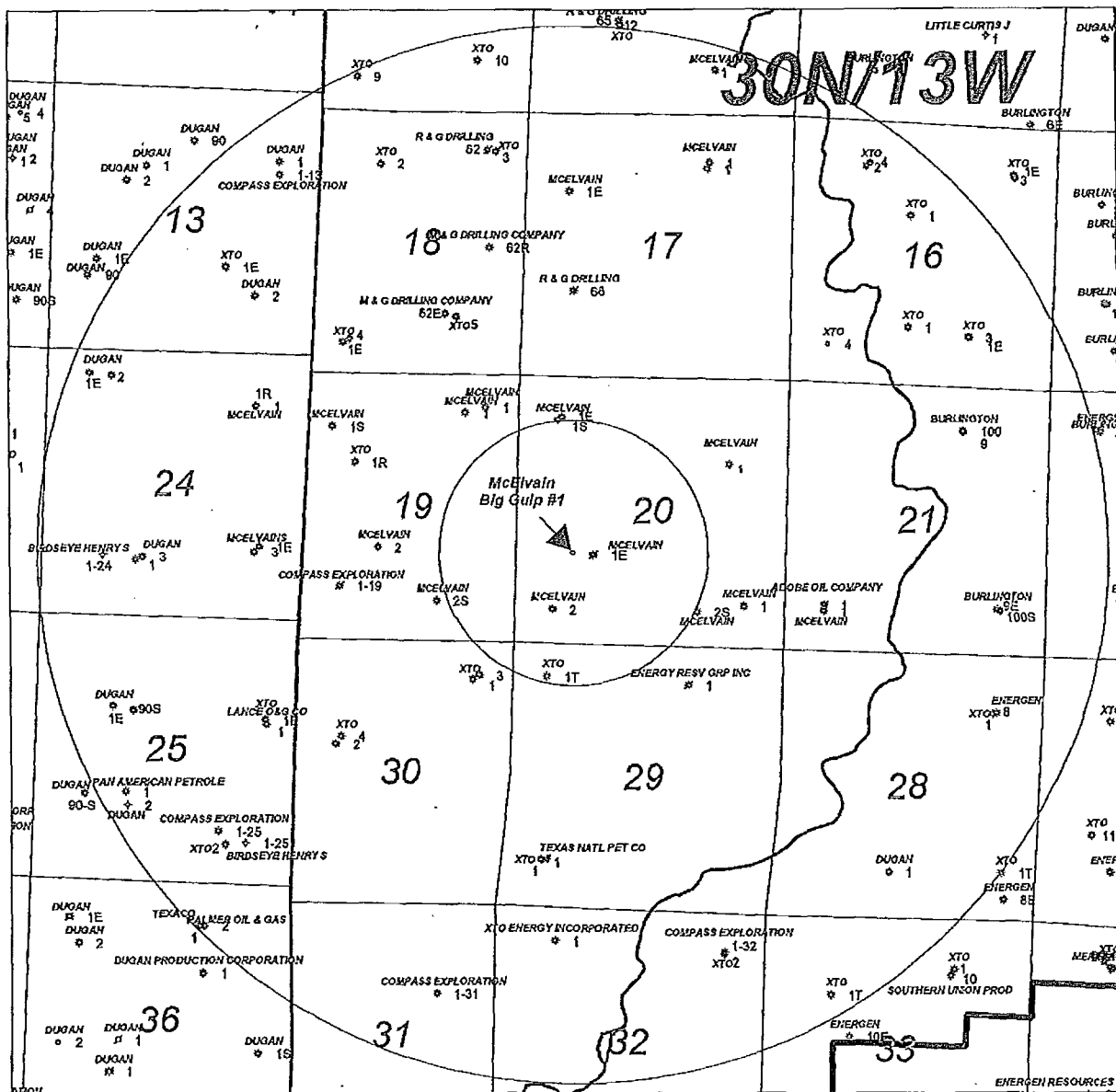


INJECTION WELL DATA SHEET

Tubing Size: 2-7/8", 6.4 ppf Lining Material: Plastic
Type of Packer: Plastic Coated Arrowset Model 1-X Retrievable
Packer Setting Depth: ~3,745 ft
Other Type of Tubing/Casing Seal (if applicable):

Additional Data

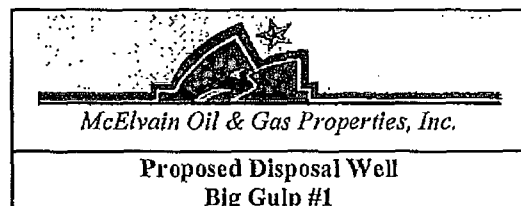
1. Is this a new well drilled for injection? X Yes No
If no, for what purpose was the well originally drilled?
2. Name of the Injection Formation: Point Lookout
3. Name of Field or Pool (if applicable): Blanco Mesaverde Pool
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: The next productive oil & gas zone underlying the Point Lookout Formation is the Dakota Formation at 5,936', 2,141' below the top of the Point Lookout. Overlying the Point Lookout Formation is the gas bearing Pictured Cliffs Formation at 1,332', 2,463' above the top of the ⁱPoint Lookout.



Well spots with well number and operator

Small circle: 1/2 mile radius around Big Gulp #1 for well check

Large circle: 2 mile radius around Big Gulp #1 for lease check



Part V - Wells and Leases Within Two Miles of the Big Gulp #1 Injection Well

Count	Lease Name	Well Num	Operator Name	I	R	S	QQ	County Name	State	Field	Prod Zone Name	ID	Status
Area of Review (1/2 Mile Radius Around Big Gulp #1)													
1	MILLER GAS COM	1E	MCELVAN T H O&G PRP	30N	13W	20D	SE NW NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,162	ACTIVE
2	REYA	1S	MCELVAN T H O&G PRP	30N	13W	20D	SE NW NW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,505	ACTIVE
3	MILLER GAS COM B	1E	MCELVAN T H O&G PRP	30N	13W	20L	SE NW SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,168	P&A
4	REYA	2S	MCELVAN T H O&G PRP	30N	13W	20O	NE SW SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,450	ACTIVE
5	REYA	2	MCELVAN T H O&G PRP	30N	13W	20M		SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,426	ACTIVE
Other Wells (2 Mile Radius Around Big Gulp #1)													
1	LUNT FC	0	XTO ENERGY INC	30N	13W	7N		SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,766	ACTIVE
2	LUNT FC	10	XTO ENERGY INC	30N	13W	7P	NW SE SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,685	ACTIVE
3	LUNT	65	R & G DRLG CO INC	30N	13W	8K	NE SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,178	INACTIVE
4	LUNT FC	12	XTO ENERGY INC	30N	13W	8K	SW NE SW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,525	ACTIVE
6	FARNSWORTH GAS COM B	1	MCELVAN T H O&G PRP	30N	13W	8O	SW SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,140	ACTIVE
8	STATE GAS COM BI	2	XTO ENERGY INC	30N	13W	18C	SW NE NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA		ACTIVE
7	STATE GAS COM BI	4	XTO ENERGY INC	30N	13W	16C	SW NE NW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
8	STATE GAS COM BI	1	XTO ENERGY INC	30N	13W	18F	SE NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,221	ACTIVE
9	STATE GAS COM BE	1	XTO ENERGY INC	30N	13W	16N	SE SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,107	ACTIVE
10	STATE GAS COM BE	1E	XTO ENERGY INC	30N	13W	18O	NE SW SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,289	ACTIVE
11	STATE GAS COM BE	3	XTO ENERGY INC	30N	13W	10O	NE SW SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
12	FARNSWORTH GAS COM A	1	MCELVAN T H O&G PRP	30N	13W	17B	NW NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,162	ACTIVE
13	KENJI	1	MCELVAN T H O&G PRP	30N	13W	17B	SE NW NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,655	ACTIVE
14	FARNSWORTH GAS COM A	1E	MCELVAN T H O&G PRP	30N	13W	17E	NE SW NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,220	ACTIVE
15	LUNT	68	R & G DRLG CO INC	30N	13W	17L	NW SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,250	INACTIVE
16	LUNT	62	RUSSELL WILLIAM C	30N	13W	18A	NE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,282	INACTIVE
17	BUTTE	3	XTO ENERGY INC	30N	13W	18A	SW NE NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,688	ACTIVE
18	BUTTE	2	XTO ENERGY INC	30N	13W	16C		SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,870	ACTIVE
19	LUNT	62R	M & G DRLG CO INC	30N	13W	18H	NW SE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,341	ACTIVE
20	BUTTE	1E	XTO ENERGY INC	30N	13W	18M	SE SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,434	ACTIVE
21	BUTTE	4	XTO ENERGY INC	30N	13W	18N		SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,735	ACTIVE
22	LUNT	62E	M & G DRLG CO INC	30N	13W	16O	NE SW SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,430	ACTIVE
23	BUTTE	5	XTO ENERGY INC	30N	13W	18P		SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,740	ACTIVE
24	VIERSON FEDERAL	1	MCELVAN T H O&G PRP	30N	13W	18A	C NE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,240	ACTIVE
25	DEWEY	1	MCELVAN T H O&G PRP	30N	13W	18A	SW NE NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,565	ACTIVE
26	DEWEY	1S	MCELVAN T H O&G PRP	30N	13W	19C		SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,715	ACTIVE
27	BUTTE	1R	XTO ENERGY INC	30N	13W	19F	NE SW NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,360	ACTIVE
28	DEWEY	2	MCELVAN T H O&G PRP	30N	13W	19K	SW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,595	ACTIVE
29	BUTTE	1	LADD PETROLEUM CORP	30N	13W	19N	SW SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,200	INACTIVE
30	DEWEY	2S	MCELVAN T H O&G PRP	30N	13W	19O	NE SW SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,555	ACTIVE
31	MILLER GAS COM	1	MCELVAN T H O&G PRP	30N	13W	20H	NW SE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,068	ACTIVE
32	MILLER GAS COM B	1	MCELVAN T H O&G PRP	30N	13W	20P	SE SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,805	ACTIVE
33	MCCORD	9	BURLGTH RE OG CO LP	30N	13W	21B	NW NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,218	ACTIVE
34	MCCORD	100	BURLGTH RE OG CO LP	30N	13W	21B	SE NW NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,822	ACTIVE
35	D MILLER	1	MCELVAN T H O&G PRP	30N	13W	21M	SW SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,063	ACTIVE
36	D MILLER	1	YATES PETROLEUM CORP	30N	13W	21M	SW SW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	6,063	INACTIVE
37	MCCORD	9E	BURLGTH RE OG CO LP	30N	13W	21P	NW SE SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,280	ACTIVE
38	MCCORD	100S	BURLGTH RE OG CO LP	30N	13W	21P	NW SE SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,655	ACTIVE
39	MCCORD	0	ENERGEN RES CORP	30N	13W	28A	NE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,487	ACTIVE
40	RUTH	1	XTO ENERGY INC	30N	13W	28A	SW NE NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
41	FEDERAL B	1	DUGAN PROD CORP	30N	13W	28N	SE SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,316	ACTIVE
42	RUTH	1T	XTO ENERGY INC	30N	13W	28P	NW SE SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,742	ACTIVE
43	KING GAS COM	1	ENERGY RESV GRP INC	30N	13W	29B	SE NW NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,100	INACTIVE
44	BERT	1T	XTO ENERGY INC	30N	13W	29O	C NW NW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
45	LA PLATA	1	EL PASO NAT GAS CO	30N	13W	29M	SW SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,134	INACTIVE
46	BERT	1	XTO ENERGY INC	30N	13W	29M	NE SW SW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
47	FEDERAL C	1	XTO ENERGY INC	30N	13W	30A	NE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,260	INACTIVE
48	FEDERAL C	3	XTO ENERGY INC	30N	13W	30A	SW NE NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,595	ACTIVE
49	FEDERAL C	2	XTO ENERGY INC	30N	13W	30F	SW NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,180	INACTIVE
50	FEDERAL C	4	XTO ENERGY INC	30N	13W	30F		SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,380	ACTIVE
51	FEDERAL C	3	COMPASS EXPL INC	30N	13W	31H	NW SE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	5,975	INACTIVE
52	FARMINGTON COM	1	LADD PETROLEUM CORP	30N	13W	32A	NE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,125	INACTIVE
53	PICWAY	2A	XTO ENERGY INC	30N	13W	32A	SW NE NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,376	ACTIVE
54	PICWAY	1	XTO ENERGY INC	30N	13W	32D	E2 NW NW	SAN JUAN	NEW MEXICO	FULCHER KUTZ	PICTURED CLIFFS		ACTIVE
55	PICWAY	3	XTO ENERGY INC	30N	13W	32M	NE SW SW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,351	ACTIVE
56	PICWAY	4	XTO ENERGY INC	30N	13W	32P	NW SE SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,487	ACTIVE
57	ARNIE	1T	XTO ENERGY INC	30N	13W	33E	NE SW NW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
58	PINON	1	DUGAN PROD CORP	30N	14W	13F	NW SE NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,507	ACTIVE
59	PINON	2	DUGAN PROD CORP	30N	14W	13F	NW	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS		ACTIVE
60	HUMBLE NORTH KIRTLAND	1	AMAX OIL & GAS INC	30N	14W	13H	SE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,477	INACTIVE
61	DINERO	1	DUGAN PROD CORP	30N	14W	13H	NW SE NE	SAN JUAN	NEW MEXICO	SAN JUAN	PICTURED CLIFFS	1,770	INACTIVE
62	HUMBLE N KIRTLAND	1E	XTO ENERGY INC	30N	14W	13J	SE NW SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,448	ACTIVE
63	HUMBLE KIRTLAND	2	DUGAN PROD CORP	30N	14W	13P	SE	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS		ACTIVE
64	HAGOOD	1	MCELVAN T H O&G PRP	30N	14W	24A	SW NE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,389	INACTIVE
65	HAGOOD	1	MCELVAN T H O&G PRP	30N	14W	24A	SW NE NE	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS		ACTIVE
66	PAN AMERICAN FEDERAL	1E	DUGAN PROD CORP	30N	14W	24D	NE NW NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,510	ACTIVE
67	PAN AMERICAN FEDERAL	2	DUGAN PROD CORP	30N	14W	24D	NE NW NW	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS		ACTIVE
68	HAGOOD	1E	MCELVAN T H O&G PRP	30N	14W	24I	SW NE SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,128	ACTIVE
69	HAGOOD	3	MCELVAN T H O&G PRP	30N	14W	24I	SW NE SE	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS		ACTIVE
70	PAN AMERICAN FEDERAL	1	DUGAN PROD CORP	30N	14W	24N	SE SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,290	ACTIVE
71	PAN AMERICAN FEDERAL	3	DUGAN PROD CORP	30N	14W	24N	N2 SE SW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,660	ACTIVE
72	PAN AMERICAN FEDERAL	3	DUGAN PROD CORP	30N	14W	24N	N2 SE SW	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS	1,660	ACTIVE
73	CARPENTER	1E	DUGAN PROD CORP	30N	14W	25F	NW SE NW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,040	ACTIVE
74	JACOBS COM	90S	DUGAN PROD CORP	30N	14W	25F	NW SE NW	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL	1,380	ACTIVE
75	JACOBS COM	80S	DUGAN PROD CORP	30N	14W	25F	NW SE NW	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS	1,380	ACTIVE
76	TWIN MOUNDS	1E	XTO ENERGY INC	30N	14W	25H	SE SE NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,065	ACTIVE
77	WF FEDERAL 25	1	XTO ENERGY INC	30N	14W	25H	SE SE NE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
78	WF FEDERAL 25	1	XTO ENERGY INC	30N	14W	26H	SE SE NE	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS		ACTIVE
79	CARPENTER	1	DUGAN PROD CORP	30N	14W	25K	NE SW	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,021	INACTIVE
80	TWIN MOUNDS	1	LADD PETROLEUM CORP	30N	14W	26O	SW SE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,028	INACTIVE
81	WF FEDERAL 25	2	XTO ENERGY INC	30N	14W	25P	NW SE SE	SAN JUAN	NEW MEXICO	BASIN	FRUITLAND COAL		ACTIVE
82	WF FEDERAL 25	2	XTO ENERGY INC	30N	14W	25P	NW SE SE	SAN JUAN	NEW MEXICO	HARPER HILL	FRUITLAND / PICTURED CLIFFS		ACTIVE
83	NEW MEXICO COM M	1	TEXACO INCORPORATED	30N	14W	36B	NW NE	SAN JUAN	NEW MEXICO	BASIN	DAKOTA	6,931	INACTIVE

McElvain Oil & Gas Properties, Inc.
Big Gulp #1
Application for Authorization to Inject

Part VI – Area of Review Well Data Tabulation

Operator: McElvain Oil & Gas Properties, Inc.
API: 30-045-24718-0000
Well Name and Number: Miller Gas Com B #1E
Location: Sec. 20L, T30N – R13W
Footages: 1,835 FSL & 1,120 FWL
Well Type: Basin Dakota Gas Well
Spud Date: 02/23/81
Completion Date: 04/09/81 Dakota
Recompletion Date: 12/18/98 Fruitland Coal
Total Depth: 6,165'
Surface Casing: 8-5/8", 24#, K-55 set at 338' in 12-1/4" hole. M&P 225 sx cmt. Circulated to surface.
Production Casing: 4-1/2", 10.5#, K-55 set at 6,163' in 7-7/8" hole. Stage I: 350 sx/413 ft³; TOC: 4,630' (CBL). Stage II (DVT @4,205'): 475 sx/599 ft³; TOC: 2,229' (Calc 75%). Stage III (DVT @1,662'): 550 sx/694 ft³.
Remedial: Squeezed casing leak (599' – 644') with 200 sx in 2004. Squeezed Fruitland Coal perforations (1,282' – 1,326') with 232 sx Type V in 2006.
P&A: 12/31/09. Please see attached schematic.

✓

Operator: McElvain Oil & Gas Properties, Inc.
API: 30-045-24492-0000
Well Name and Number: Miller Gas Com #1E
Location: Sec. 20D, T30N – R13W
Footages: 820 FNL & 840 FWL
Well Type: Basin Dakota Gas Well
Spud Date: 08/21/80
Completion Date: 09/22/80 Dakota
Total Depth: 6,150'
PBTD: 6,100'
Surface Casing: 8-5/8", 24#, K-55 set at 378' in 12-1/4" hole. M&P 375 sx cmt. Circulated to surface.
Production Casing: 4-1/2", 10.5#, K-55 set at 6,142' in 7-7/8" hole. Stage I: 475 sx. Stage II (DVT @4,270'): 625. Stage III (DVT @1,653'): 500 sx; TOC: 400' (TS).
Perforations: 5,960' – 62' (3 shots); 5,980' – 82' (3 shots); 6,021' – 25' (5 shots); 6,041' – 47' (7 shots); 6,058' – 66' (9 shots). 27 total.
Stimulation: 60,000 gal 70Q N2 foam; (19,300 gal water/1,300,000 scf N2) 60,000# 20/40 sand
Tubing: 186 jts 2-3/8", 4.7#, K-55 landed at 6,049'.
Cumulative Production: 375,461 mcf; 4,772 bbls oil; 1,413 bbls water

Miller Gas Com "B" #1E

Final P&A

Basin Dakota

1835' FSL & 1120' FWL, Section 20, T-30-N, R-13-W
San Juan County, NM / API #30-045-24718

Today's Date: 02/02/10 JMM

Spud: 2/23/81

DK Comp: 4/09/81

FtC Comp: 12/18/98

Elevation: 5540' GL
5552' KB

Cut off WH, install DH marker (12/31/09)

12.25" Hole

Kirtland @ Surface

Fruitland @ 995'

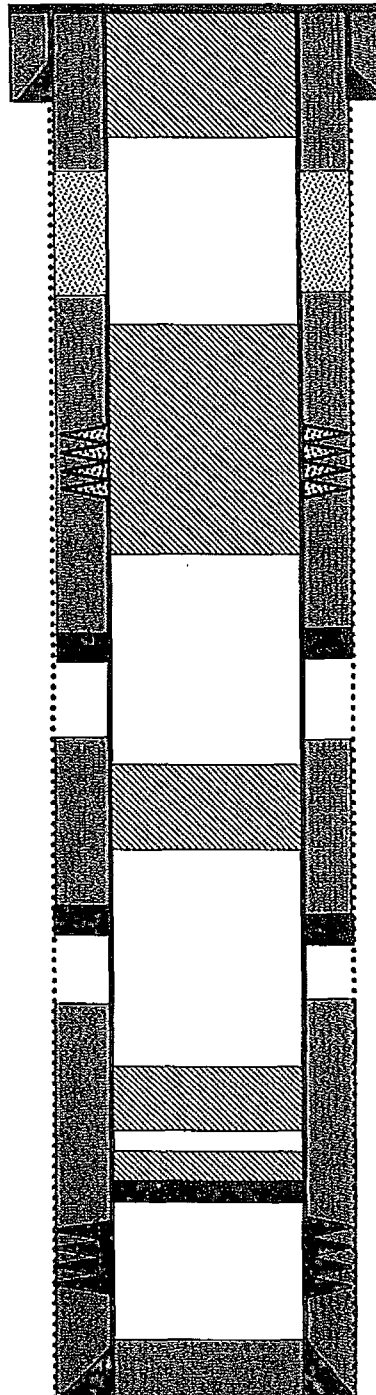
Pictured Cliffs @ 1331'

Mesaverde @ 2900'

Gallup @ 5072'

Dakota @ 5935'

7.875" Hole



TOC @ Surface
(per sundry and Calc, 75%)

8.625" 24# K-55 Casing set @ 338'
225 sxs cement, circ to surface

Plug #5: 380' – Surface
Class B cement, 40 sxs
47.2 ft3, 15.6 ppg

Casing leak 599' – 644'; sqz'd w/ 200 sxs cement
(2004)

Plug #4: 1,397' – 945'
Class B cement, 42 sxs
49.6 ft3, 15.6 ppg

Fruitland Coal Perforations:
1282' – 1326'
Sqz'd FtC perforations with 232 sxs Type V
cement. (2006)

DV tool @ 1662'
Cement with 550 sxs (693 cf)

TOC @ 2229' (Calc, 75%)

Plug #3: 2,973' – 2,850'
Class B cement, 12 sxs
14.16 ft3, 15.6 ppg
TOC: 2,796'

DV tool @ 4205'
Cement with 475 sxs (599 cf)

TOC @ 4630' (2006 Sundry
per CBL)

Plug #2: 5,127' – 5,022'
Class B cement, 12 sxs
14.16 ft3, 15.6 ppg
TOC: 4,989'

Set CR @ 5,886'

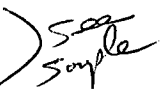
Gallup Perforations:
5939' – 6061'

Plug #1: 5,886' – 5,786'
Class B cement, 12 sxs
16.16 ft3, 15.6 ppg
TOC (Tag): 5,736'

4.5" 10.5# K-55 Casing @ 6163'
Cemented with 350 sxs (413 cf)

TD 6165'
PBTB 6121'

Part VII – Proposed Operations Data

1. The proposed average daily injection rate is 1,050 BWPD. The proposed maximum daily injection rate is 1,850 BWPD. These rates may be adjusted based on well testing.
2. The injection system will be closed.
3. The proposed average injection pressure will be 800 psi. The proposed maximum injection pressure will be 1,300 psi. These pressures may be adjusted bases on well tests.
4. The source of the injection water will be existing and future McElvain Oil & Gas Properties, Inc. Pictured Cliffs and Fruitland Coal wells within close proximity to the Big Gulp #1. Water analysis for both Pictured Cliffs and Fruitland Coal Formations is included. Pictured Cliffs and Fruitland Coal produced waters are routinely disposed of into other Mesa Verde SWD wells in the area with no known compatibility problems. Upon completion of the Big Gulp #1, injection water compatibility tests will be run.
5. McElvain Oil & Gas Properties, Inc. does not have a representative water analysis for the Point Lookout injection zone at this time. If possible, during completion of the Big Gulp #1, a representative Point Lookout water sample will be collected and analyzed. 

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

Client: McElvain Oil & Gas
Sample ID: Dewey #2S
Laboratory Number: 46287
Chain of Custody: 2891
Sample Matrix: Water
Preservative:
Condition: Intact

Project #: 06039-0004
Date Reported: 07-15-08
Date Sampled: 07-09-08
Date Received: 07-09-08
Date Extracted: N/A
Date Analyzed: 07-10-08

Parameter	Analytical Result	Units		
pH	7.22	s.u.		
Conductivity @ 25° C	27,200	umhos/cm		
Total Dissolved Solids @ 180C	15,300	mg/L		
Total Dissolved Solids (Calc)	14,353	mg/L		
SAR	234	ratio		
Total Alkalinity as CaCO3	1,160	mg/L		
Total Hardness as CaCO3	106	mg/L		
Bicarbonate as HCO3	1,160	mg/L	19.01	meq/L
Carbonate as CO3	<0.1	mg/L	0.00	meq/L
Hydroxide as OH	<0.1	mg/L	0.00	meq/L
Nitrate Nitrogen	1.30	mg/L	0.02	meq/L
Nitrite Nitrogen	0.014	mg/L	0.00	meq/L
Chloride	8,000	mg/L	225.68	meq/L
Fluoride	0.865	mg/L	0.05	meq/L
Phosphate	5.00	mg/L	0.16	meq/L
Sulfate	1.20	mg/L	0.02	meq/L
Iron	0.024	mg/L	0.00	meq/L
Calcium	23.1	mg/L	1.15	meq/L
Magnesium	11.8	mg/L	0.97	meq/L
Potassium	54.7	mg/L	1.40	meq/L
Sodium	5,550	mg/L	241.43	meq/L
Cations			244.95	meq/L
Anions			244.94	meq/L
Cation/Anion Difference			0.00%	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: FC / San Juan County.

Analyst

Review

ENVIROTECH LABS

PRACTICAL SOLUTIONS FOR A BETTER TOMORROW

CATION / ANION ANALYSIS

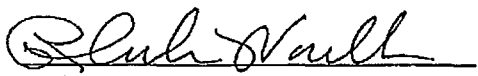
Client:	McElvain Oil & Gas	Project #:	06039-004
Sample ID:	Hagood #1	Date Reported:	05-18-07
Laboratory Number:	41564	Date Sampled:	05-15-07
Chain of Custody:	2677	Date Received:	05-16-07
Sample Matrix:	Water	Date Extracted:	N/A
Preservative:	Cool	Date Analyzed:	05-17-07
Condition:	Cool & Intact		

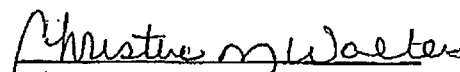
Parameter	Analytical Result	Units		
pH	7.79	s.u.		
Conductivity @ 25° C	17,700	umhos/cm		
Total Dissolved Solids @ 180C	9,860	mg/L		
Total Dissolved Solids (Calc)	10,780	mg/L		
SAR	111	ratio		
Total Alkalinity as CaCO3	1,360	mg/L		
Total Hardness as CaCO3	260	mg/L		
Bicarbonate as HCO3	1,360	mg/L	22.29	meq/L
Carbonate as CO3	<0.1	mg/L	0.00	meq/L
Hydroxide as OH	<0.1	mg/L	0.00	meq/L
Nitrate Nitrogen	0.1	mg/L	0.00	meq/L
Nitrite Nitrogen	0.020	mg/L	0.00	meq/L
Chloride	5,740	mg/L	161.93	meq/L
Fluoride	1.89	mg/L	0.10	meq/L
Phosphate	1.3	mg/L	0.04	meq/L
Sulfate	0.3	mg/L	0.01	meq/L
Iron	0.207	mg/L	0.01	meq/L
Calcium	76.0	mg/L	3.79	meq/L
Magnesium	17.1	mg/L	1.41	meq/L
Potassium	1.85	mg/L	0.05	meq/L
Sodium	4,120	mg/L	179.22	meq/L
Cations			184.47	meq/L
Anions			184.36	meq/L
Cation/Anion Difference			0.06%	

Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: T30N R14W Sec 24 Lot 1

PICTURED CLIFFS


Analyst


Review



CATION / ANION ANALYSIS

Client: McElvain Oil & Gas
Sample ID: Miller B1E
Laboratory Number: 48537
Chain of Custody: 5324
Sample Matrix: Aqueous
Preservative: Intact
Condition: Intact

Project #: 06039-0020
Date Reported: 12-22-08
Date Sampled: 12-18-08
Date Received: 12-18-08
Date Extracted: N/A
Date Analyzed: 12-18/12-19-08

Parameter	Analytical Result	Units		
pH	7.39	s.u.		
Conductivity @ 25° C	42,400	umhos/cm		
Total Dissolved Solids @ 180C	23,900	mg/L		
Total Dissolved Solids (Calc)	23,615	mg/L		
SAR	263.8	ratio		
Total Alkalinity as CaCO3	636	mg/L		
Total Hardness as CaCO3	225	mg/L		
Bicarbonate as CaCO3	363	mg/L	5.95	meq/L
Carbonate as CaCO3	<0.1	mg/L	0.00	meq/L
Hydroxide as CaCO3	<0.1	mg/L	0.00	meq/L
Nitrate Nitrogen	<0.01	mg/L	0.00	meq/L
Nitrite Nitrogen	<0.01	mg/L	0.00	meq/L
Chloride	14,000	mg/L	394.94	meq/L
Fluoride	0.525	mg/L	0.03	meq/L
Phosphate	0.325	mg/L	0.01	meq/L
Sulfate	10.1	mg/L	0.21	meq/L
Iron	0.006	mg/L	0.00	meq/L
Calcium	40.3	mg/L	2.01	meq/L
Magnesium	30.3	mg/L	2.49	meq/L
Potassium	47.7	mg/L	1.22	meq/L
Sodium	9,100	mg/L	395.85	meq/L
Cations			401.57	meq/L
Anions			401.14	meq/L
Cation/Anion Difference			0.11%	

MVRD
Sample From CASING LEAK

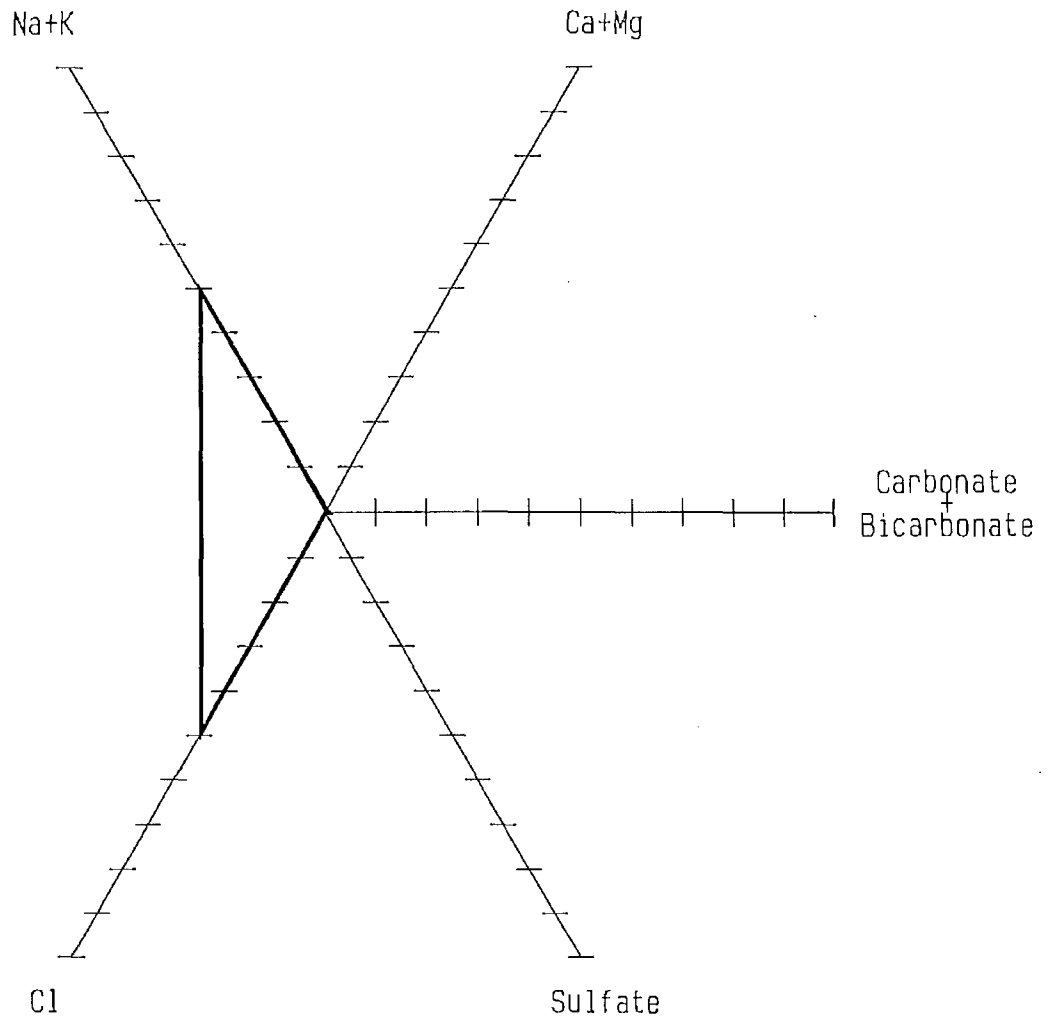
Reference: U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: Miller B1E.

U. J. B.
Analyst

Christine M. Wooten
Review

% MEQ/L



MILLER B #1E

pH: 7.39

Rw @ 76 degrees F: 0.00

TDS: 23615

Specific Gravity: 0

Lab: Envirotech

Sample Date: 12/18/2008

Sodium & Potassium:	49.42%
Calcium & Magnesium:	.56%
Carb & Bicarb:	.74%
Sulfate:	.03%
Chloride:	49.25%

Part VIII – Geological Data

Hydrogeological Report for the Big Gulp #1

The proposed Big Gulp #1 water disposal well will utilize the Point Lookout Member of the Cretaceous age Mesaverde Formation. The Mesaverde Formation is made up of three members. The Point Lookout is the lower-most member. It is made up of marine sands and shales deposited in a marine environment during a progradation of the Cretaceous seaway to the west over the Four Corners region. There are two major packages of highly porous and permeable sand in the Point Lookout which we intend to utilize for water disposal. In the proposed well, the injection zones will be geologically equivalent to 3795-3850' and 3940-4000' in the adjacent P&A well Miller Gas Com B #1E. The intervals consist of locally extensive sand beds with noticeably high permeability, as observed in the Miller Gas Com B #1E's induction log. The porosity of these sands averages 12% and ranges from 10% to 16%. Underlying and overlying each interval is shale, serving as flow barriers. Overlying the Point Lookout is the Menefee member of the Mesaverde. It is a fluvial section made up discontinuous sands, shales and coals. The Menefee will not be utilized as an injection zone. Overlying the Menefee is the Cliff House member of the Mesaverde. The Cliff House, like the Point Lookout, it is a marine section consisting of shales and locally continuous porous and permeable sands. The Cliff House will also not be utilized as an injection zone.

The Mesaverde Formation is not locally oil nor gas productive. In this area, it is utilized by other operators for water disposal. It is underlain by the non-productive Mancos and Gallup Formations, and the oil and gas-bearing Dakota Formation, in descending order. The Mesaverde is overlain by the Lewis Shale, also non-productive in the area. Overlying the Lewis is the gas-bearing Pictured Cliffs Formation, and the Fruitland Formation which produces gas from sands and coals.

At the surface at the Big Gulp location lies the Kirtland Formation. The Kirtland consists of an upper shale, a middle sandier zone, and a lower shale which conformably overlies the Fruitland Formation. The sandier middle zone of the Kirtland is known as the Farmington Member in this area. The Farmington Member and the upper shale are composed of a series of interbedded small channel sandstones and shales. These discontinuous sands in the Kirtland Formation serve as the source of water for the few water wells in the area. A records search of the NM Office of the State Engineer iWaters database was conducted on a 9-section area centered on the section in which lies the Big Gulp #1 well location, 30N 13W section 20. In section 17, 7 water wells were located. Average depth of water in these wells is 25', minimum 9'. In section 28, one well was located; depth of water was found at 306'. In section 29, 13 wells were located; average depth of water is 31', minimum 15'. The base of the Kirtland Formation at the Big Gulp location is approximately 1100', about 2700' above the uppermost proposed injection zone in the Mesaverde.

The Point Lookout Member of the Mesaverde Formation is being utilized by multiple operators in the Farmington area for water disposal, due to its highly porous, highly permeable, locally continuous poor-water quality bearing sands. Water disposed to the Point Lookout sands will remain within the formation without disturbing the much deeper oil and gas-bearing Dakota Formation, and the much shallower gas-bearing Pictured Cliffs and Fruitland Formations, and the freshwater-bearing Kirtland Formation.

Part IX – Proposed Stimulation Program

The Point Lookout injection interval will most likely be treated with 500 gals of 15% HCl. Although not anticipated, a minimum fracture treatment of 60,000 gals fluid and 60,000 lbs of 20/40 sand may be required to enhance injectivity.

Part X – Logging and Test Data

All open hole electric logs and cased hole cement bond logs will be submitted to the OCD. Results of all Point Lookout Interval injectivity testing will be provided when available.

XI – Chemical Analysis of Nearby Fresh Water Wells

A records search of the NM Office of the State Engineer iWaters database was conducted on a 9-section area centered on the Big Gulp #1 well location, 30N 13W section 20. In section 17, 7 water wells were located. Average depth of water in these wells is 25', minimum 9'. In section 28, one well was located; depth of water was found at 306'. In section 29, 13 wells were located; average depth of water is 31', minimum 15'. The base of the Kirtland Formation at the Big Gulp location is approximately 1100', about 2700' above the uppermost proposed injection zone in the Mesaverde.

McElvain Oil & Gas Properties, Inc. is attempting to obtain water samples at this time.

XII – Affirmative Statement

McElvain Oil & Gas Properties, Inc. has examined available geologic and engineering data in the area of the proposed Big Gulp #1 SWD injection well and has found no evidence of open faults or any other hydraulic conduit from the injection zone to any underground source of drinking water.

XIII – Proof of Notice

Attached are copies of certified letters and their return receipt cards which were sent to surface owners or leasehold owners within a one-half mile radius of the proposed Big Gulp #1 SWD well. Also attached is an Affidavit of Publication from the Farmington Daily Times newspaper stating that a legal notice was published advising the public of McElvain Oil & Gas Properties Inc's. intent to dispose of produced water in the proposed Big Gulp #1 SWD well.

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET

SUITE 1800

DENVER, COLORADO 80265

JAMES M. MCKINNEY, JR.
OPERATIONS ENGINEER
E-MAIL: JIMM@MCELVAIN.COM

TELEPHONE 303/893-0933 EXT. 379
FAX 303/893-0914

PT6-W
1007836183

March 16, 2009
Mr. Will Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

30-045-35043

Re: Application for Authorization to Inject
McElvain Big Gulp #1
Point Lookout Formation; total depth: 4,270 ft.
Maximum daily injection rate: 1,850 BWPD
Maximum injection pressure: 1,300 psi
1,807 FSL and 1,117 FWL
SENE, Section 20, T30N-R13W
San Juan County, New Mexico

RECEIVED
2010 MAR 18 PM 1 23

Dear Will,

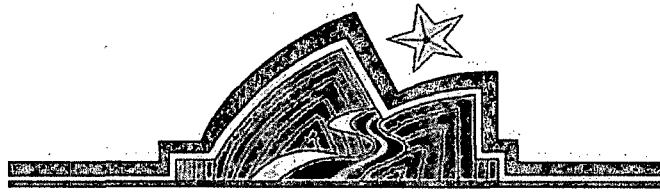
Enclosed, please find the C-108 package including proof of notice to surface and leasehold owners within ½ mile of the proposed Big Gulp #1 SWD well in San Juan County, New Mexico. I have also sent a copy to Steve Hayden in the Aztec office.

If you have any questions please do not hesitate to call me.

Sincerely,



Jim McKinney
Operations Engineer
McElvain Oil & Gas Properties, Inc.



MCELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET, SUITE 1800

DENVER, COLORADO 80265-1801

TELEPHONE: 303-893-0933 • FACSIMILE: 303-893-0914

PROOF OF NOTICE

Big Gulp #1 Well

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES enter delivery address below: ☐ No

3. Service Type ☒ Certified

4. Restricted Delivery? (Extra Fee) ☐ Yes

Office
 Management
 Office
 Ray, Suite A
 01-8731

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

71791000164906559859

Postage	\$ 0.88	Postmark Here
Certified Fee	2.80	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)	0.00	
Total Postage & Fees	\$ 5.98	

Sent To **New Mexico State Office**
Bureau of Land Management
 Street, Apt. Farmington District Office
 or PO Box No. 1235 La Plata Highway, Suite A
 City, State, Zip+4 Farmington, NM 87401-8731

PS Form 3800, August 2006 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES enter delivery address below: ☐ No

3. Service Type ☒ Certified

4. Restricted Delivery? (Extra Fee) ☐ Yes

101-2663

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

71791000164906559842

Postage	\$ 0.88	Postmark Here
Certified Fee	2.80	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)	0.00	
Total Postage & Fees	\$ 5.98	

Sent To **City of Farmington**
800 Municipal Drive
 Street, Apt. Farmington, NM 87401-2663
 or PO Box No.
 City, State, Zip+4

PS Form 3800, August 2006 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
☒ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES enter delivery address below: ☒ No

3. Service Type ☒ Certified

4. Restricted Delivery? (Extra Fee) ☐ Yes

IS
 '52-0747

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

71791000164906559873

Postage	\$ 0.88	Postmark Here
Certified Fee	2.80	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)	0.00	
Total Postage & Fees	\$ 5.98	

Sent To **Conner Lynn Charles**
Box 747
 Street, Apt. Three Forks, MT 59752-0747

T. H. McELVAIN OIL & GAS LIMITED PARTNERSHIP

McELVAIN OIL & GAS PROPERTIES, INC., SOLE GENERAL PARTNER

1050 17TH STREET, SUITE 1800
DENVER, COLORADO 80265-1801

CHRIS E. MANNING
LANDMAN

TELEPHONE 303-893-0933, EXT. 329
FAX 303-893-0914
E-MAIL: CHRISM@MCELVAIN.COM

March 2, 2010

Certified Mail – Return Receipt Requested: 7008 1830 0001 5250 9414

XTO Energy
382 Road 3100
Aztec, NM 87410

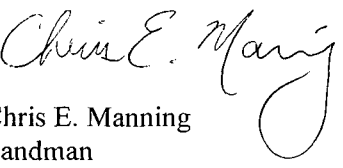
Re: Application for Authorization to Inject
McElvain Big Gulp #1
Point Lookout formation; total depth = 4,270 feet
Maximum daily injection rate = 1,850 BWPD
Maximum injection pressure = 1,300 psi
1,807 FSL and 1,117 FWL
SENE, Section 20, T30N- R13W
San Juan County, New Mexico

Attention:

You have been identified as either a surface owner or a leasehold owner within one-half mile of the above referenced location. McElvain Oil & Gas Properties, Inc. ("McElvain") intends to drill and complete the Big Gulp #1 for the purpose of produced water disposal from existing and future McElvain wells within close proximity to the Big Gulp #1. A copy of McElvain's application to the New Mexico Oil Conservation Division is attached for your reference.

If you have any questions regarding this notice and application, please contact our Operations Engineer, Jim McKinney at 303-893-0933. Objections or requests for hearing must be filed within 15 days with the New Mexico Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico, 87505.

Regards,


Chris E. Manning
Landman
McElvain Oil & Gas Properties, Inc.

Enclosures (1): Application for Authorization to Inject

T. H. MCELVAIN OIL & GAS LIMITED PARTNERSHIP

McELVAIN OIL & GAS PROPERTIES, INC., SOLE GENERAL PARTNER

1050 17TH STREET, SUITE 1800
DENVER, COLORADO 80265-1801

CHRIS E. MANNING
LANDMAN

TELEPHONE 303-893-0933, EXT. 329
FAX 303-893-0914
E-MAIL: CHRISM@MCELVAIN.COM

February 22, 2010

Certified Mail – Return Receipt Requested, 71791000164906559859

Bureau of Land Management
Farmington District Office
District Manager: Steve Henke
1235 La Plata Highway
Farmington, NM 87401-8731

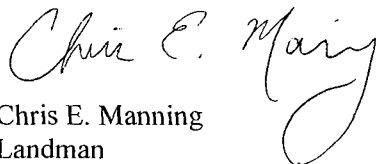
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McElvain Big Gulp #1
Point Lookout formation; total depth = 4,270 feet
Maximum daily injection rate = 1,850 BWPD
Maximum injection pressure = 1,300 psi
1,807 FSL and 1,117 FWL
SENE, Section 20, T30N- R13W
San Juan County, New Mexico

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February 22, 2010

Certified Mail – Return Receipt Requested; 71791000164906559842

City of Farmington
800 Municipal Drive
Farmington, NM 87401-2663

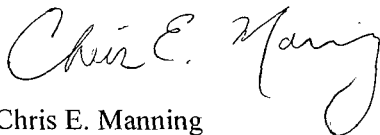
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Landman
McElvain Oil & Gas Properties, Inc.

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1050 17TH STREET, SUITE 1800
DENVER, COLORADO 80265-1801

CHRIS E. MANNING
LANDMAN

TELEPHONE 303-893-0933, EXT. 329
FAX 303-893-0914
E-MAIL: CHRISM@MCELVAIN.COM

February 22, 2010

Certified Mail – Return Receipt Requested: 71791000164906559873

Lynn Charles Connor
Box 747
Three Forks, MT 59752-0747

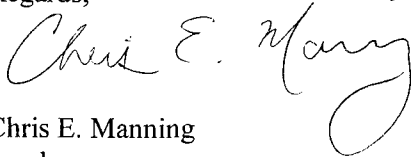
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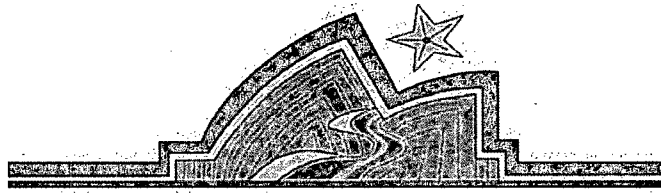
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Chris E. Manning
Landman
McElvain Oil & Gas Properties, Inc.

Enclosures (1): Application for Authorization to Inject



MCELVAIN OIL & GAS PROPERTIES, INC.
1050 17TH STREET, SUITE 1800
DENVER, COLORADO 80265-1801
TELEPHONE: 303-893-0933 • FACSIMILE: 303-893-0914

PROOF OF NOTICE

Big Gulp #1 Well

AFFIDAVIT OF PUBLICATION

Ad No. 64239

STATE OF NEW MEXICO County of San Juan:

TIA AVILES, being duly sworn says: That she is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Wednesday, March 3, 2010

And the cost of the publication is \$67.42

Lia Aviles

ON 3/8/10 TIA AVILES appeared before me, whom I know personally to be the person who signed the above document.

Christine Sellers
My Commission Expires - 11/05/11

COPY OF PUBLICATION

**LEGAL NOTICE
INTENT TO DISPOSE OF PRODUCE
WATER IN THE SUBSURFACE**
McElvain Oil & Gas Properties, Inc. is requesting approval to drill the Big Gulp #1 well for the purpose of produced water disposal from existing and future McElvain wells within close proximity to the Big Gulp #1 well. This well will be located 1,807' FSL and 1,117' FWL (SENE) of Section 20, T30N-R13W, San Juan County, New Mexico. The proposed injection zone is the Point Lookout formation. The total depth of the Big Gulp #1 well will be 4,720' with injection intervals of 3,795' to 3,850' and 3,940' to 4,000'. The proposed average injection rate is 1,050 BWPD. The proposed maximum daily injection rate will be 1,840 BWPD. The proposed average injection pressure will be 800 psi. The proposed maximum injection pressure will be 1,300 psi. Any questions regarding this notice should be directed to Jim McKinney with McElvain Oil & Gas Properties, Inc. at 1050 17th Street, Suite 1800, Denver, CO 80265. Telephone: 303-893-0933, 8 am to 5 pm Mountain. Interested parties must file objections or request a hearing with the New Mexico Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, within fifteen (15) days. Legal No. 64239 published in The Daily Times on March 3, 2010.

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
[Signature]

B. Received by (Printed Name) *[Signature]* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES enter delivery address below: ☐ No

3. Service Type ☒ Certified

4. Restricted Delivery? (Extra Fee) ☐ Yes

Office
 Management
 Office
 Ray, Suite A
 01-8731

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

71791000164906559859

Postage	\$ 0.88	Postmark Here
Certified Fee	2.80	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)	0.00	
Total Postage & Fees	\$ 5.98	

Sent To **New Mexico State Office**
Bureau of Land Management
Farmington District Office
 Street, Apt. **1235 La Plata Highway, Suite A**
 or PO Box No. **Farmington, NM 87401-8731**
 City, State, Zip+4

PS Form 3800, August 2006 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
[Signature]

B. Received by (Printed Name) *J. Kvech* C. Date of Delivery *02/24/10*

D. Is delivery address different from item 1? ☐ Yes
 If YES enter delivery address below: ☐ No

3. Service Type ☒ Certified

4. Restricted Delivery? (Extra Fee) ☐ Yes

101-2663

Domestic Return Receipt

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

71791000164906559842

Postage	\$ 0.88	Postmark Here
Certified Fee	2.80	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)	0.00	
Total Postage & Fees	\$ 5.98	

Sent To **City of Farmington**
800 Municipal Drive
 Street, Apt. **Farmington, NM 87401-2663**
 or PO Box No.
 City, State, Zip+4

PS Form 3800, August 2006 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☒ Addressee
Lynn Charles Conner

B. Received by (Printed Name) *LYNN C. CONNER* C. Date of Delivery *02-24-10*

D. Is delivery address different from item 1? ☐ Yes
 If YES enter delivery address below: ☒ No

3. Service Type ☒ Certified

4. Restricted Delivery? (Extra Fee) ☐ Yes

IS
 '52-0747

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

71791000164906559873

Postage	\$ 0.88	Postmark Here
Certified Fee	2.80	
Return Receipt Fee (Endorsement Required)	2.30	
Restricted Delivery Fee (Endorsement Required)	0.00	
Total Postage & Fees	\$ 5.98	

Sent To **Conner Lynn Charles**
Box 747
 Street, Apt. **Nehee Forks, MT 59752-0747**

T. H. McELVAIN OIL & GAS LIMITED PARTNERSHIP

McELVAIN OIL & GAS PROPERTIES, INC., SOLE GENERAL PARTNER

1050 17TH STREET, SUITE 1800
DENVER, COLORADO 80265-1801

CHRIS E. MANNING
LANDMAN

TELEPHONE 303-893-0933, EXT. 329
FAX 303-893-0914
E-MAIL: CHRISM@MCELVAIN.COM

March 2, 2010

Certified Mail – Return Receipt Requested; 7008 1830 0001 5250 9414

XTO Energy
382 Road 3100
Aztec, NM 87410

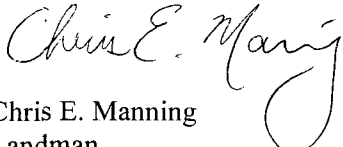
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McElvain Big Gulp #1
Point Lookout formation; total depth = 4,270 feet
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Maximum injection pressure = 1,300 psi
1,807 FSL and 1,117 FWL
SENE, Section 20, T30N- R13W
San Juan County, New Mexico

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Bureau of Land Management
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District Manager: Steve Henke
1235 La Plata Highway
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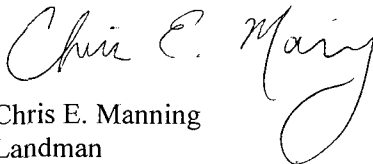
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City of Farmington
800 Municipal Drive
Farmington, NM 87401-2663

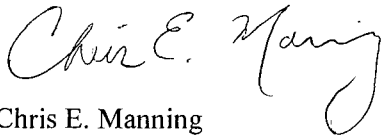
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February 22, 2010

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Lynn Charles Connor
Box 747
Three Forks, MT 59752-0747

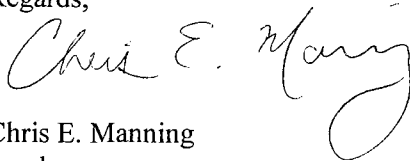
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Regards,



Chris E. Manning
Landman
McElvain Oil & Gas Properties, Inc.

Enclosures (1): Application for Authorization to Inject

Jones, William V., EMNRD

From: Jim McKinney [JimM@McElvain.com]
Sent: Wednesday, March 31, 2010 8:29 AM
To: Jones, William V., EMNRD
Cc: Ron Millet
Subject: RE: Disposal Application from McElvain : Big Gulp SWD #1 30-045-35043 Point Lookout
Attachments: Distance from Pt Lookout to Big Gulp.pdf; Big Gulp Surface Ownership Map.pdf

Will,

- a. The surface location for the Big Gulp SWD #1 is on BLM lands and the BLM is the surface owner of the well site.
- b. Please see the attached surface ownership map. The ½ mile radius sweep just catches a parcel of L.C. Connors land.
- c. We will supply you with a fresh water well sample analysis.
- d. Please see attached map. The Southern Ute #2-24 (Pt. Lookout) is ~14.6 miles NE of the proposed Big Gulp SWD #1.

Please let me know if you need any more information.

Take Care,

Jim

Jim McKinney
Operations Engineer
McElvain Oil & Gas Properties, Inc.
Independence Plaza, 1050 17th Street, Suite 1800
Denver, Colorado 80265-1801
303-893-0933, X379 (Office)
303-893-0914 (Fax)
720-227-4550 (Mobile)

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, March 30, 2010 11:49 AM
To: Jim McKinney
Cc: Ezeanyim, Richard, EMNRD; Hayden, Steven, EMNRD
Subject: Disposal Application from McElvain : Big Gulp SWD #1 30-045-35043 Point Lookout

Hello Jim:

- a. I found a note in your well file from your landman stating this surface location is BLM and you filled out a federal APD it appears. Do you agree the BLM is the surface owner of the well site?
- b. Still don't know why L.C. Connor was notified?
- c. Also your application states you folks will be supplying a fresh water analysis from a nearby well – please send when it arrives, we won't delay the permit while waiting on this analysis.
- d. Please let me know roughly the nearest Point Lookout gas production to this location.

Really found no other issues – and have not heard from Steve as to any either.

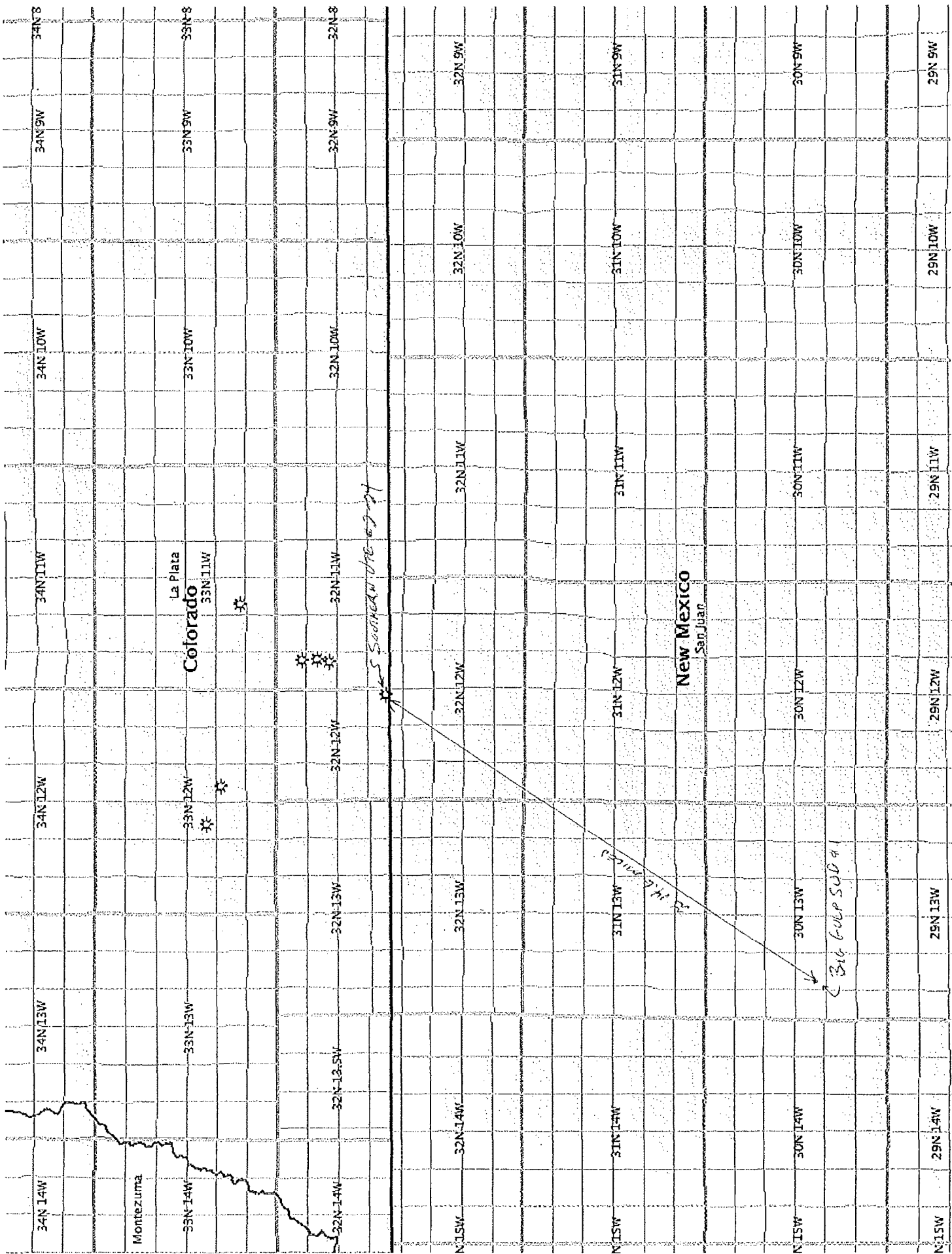
Thank you for the thorough application.

Your permit is ready to release on April 3rd after the mandatory 15 day suspense period.

Take Care,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.



KEY	2050010670704300PNLK
Source	PI
Production ID	2050010670704300PNLK
Entity Type	WELL
API	05067070430000
Lease Name	SOUTHERN UTE #2-24
Well Num	2
Operator Name	RED WILLOW PROD CO
Location	32N 12W 24 C SE SE
Field Name	IGNACIO-BLANCO
State	COLORADO
County Name	LA PLATA
Production Status	ACTIVE
Resv Onshore	POINT LOOKOUT
Resv Offshore	
Prod Zone Name	POINT LOOKOUT
Lease Code	020784
Oil Cum	
Gas Cum	463273
Wtr Cum	152
Oil YTD	0
Gas YTD	1086
Wtr YTD	0
Oil Latest Mo	
Gas Latest Mo	1086
Wtr Latest Mo	
Active Num Wells	1
First Prod Date	1988-08-01
Last Prod Date	2010-01-31
TD	4502
TVD	
Upper Perf	3989
Lower Perf	4223
Oil Gatherer	
Gas Gatherer	
Latitude	37.001497913
Longitude	-108.094036455
L and L Srce	IH

Legend Layers



Injection Permit Checklist (03/15/2010)

Case _____ R- _____ SWD 1209 WFX _____ PMX _____ IPI _____ Permit Date 4/3/10 UIC Qtr (A/F)

Wells 1 Well Name: BIG GULP #1

API Num: (30-) 045-35043 Spud Date: New New/Old: N (UIC primacy March 7, 1982)

Footages 1807 FSL/1117 FWL Unit L Sec 20 Tsp 30N Rge 13W County SAN JUAN

Operator: McELVAIN OIL & Gas Properties, INC. Contact JIM McKINNEY

OGRID: 22044 RULE 5.9 Compliance (Wells) 2/196 (Finan Assur) OK IS 5.9 OK? OK

Operator Address: 1050 17th St. Suite 1800, DENVER, CO, 80265.

Current Status: New Drill PROPOSED

Planned Work to Well: Drill & Convert

Planned Tubing Size/Depth: 2 7/8 @ 3745'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing Surface	<u>12 1/4 @ 700'</u>	<u>700'</u>	<u>375</u>	<u>Calc & Surf.</u>
Existing Intermediate				
Existing Long String	<u>8 3/4 @ 4270</u>	<u>4270</u>	<u>575</u>	<u>Calc & Surf</u>

DV Top 1600' Liner _____ Open Hole _____ Total Depth 4270

Well File Reviewed ✓ BLM Permit

Diagrams: Before Conversion _____ After Conversion ✓ Elogs in Imaging File: new well (NO LOSS YET)

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)	<u>3036</u>	<u>Manfor</u>	
Above (Name and Top)	<u>3746</u>	<u>PLW. TOP</u>	
Injection..... Interval TOP:	<u>(3745-3850)</u>	<u>PLW.</u>	<u>NO</u>
Injection..... Interval BOTTOM:	<u>(4000)</u>	<u>PLW.</u>	<u>NO</u>
Below (Name and Top)			

GENERAL LOCATION

759 PSI Max. WHIP
Open Hole (Y/N) _____
Deviated Hole? _____

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths _____

Potash Area (R-111-P) _____ Potash Lessee _____ Noticed? _____

Fresh Water: Depths: 9-305' Kinrind Wells yes Analysis? _____ Affirmative Statement ✓

Disposal Fluid Sources: PC/FRC Analysis? _____

Disposal Interval Production Potential/Testing/Analysis Analysis: _____

Notice: Newspaper (Y/N) _____ Surface Owner: BLM Mineral Owner(s) BLM

RULE 26.7(A) Affected Parties: SLC / FRC / BLM / XTO

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) ✓

Active Wells 1 Num Repairs 0 Producing in Injection Interval in AOR NO

P&A Wells 1 Num Repairs 0 All Wellbore Diagrams Included? ✓

Questions/Required Work:

Request Sent _____ Reply: _____

Request Sent _____ Reply: _____

Request Sent _____ Reply: _____