

# McElvain Oil & Gas Properties, Inc.

1050 17<sup>TH</sup> STREET, SUITE 1800  
DENVER, COLORADO 80265

MONA L. BINION, CPL  
LAND MANAGER  
e-mail [monab@mcelvainoilandgas.com](mailto:monab@mcelvainoilandgas.com)

TELEPHONE 303-893-0933 EXT.306  
FAX 303-893-0914  
Cellular 303-809-2058

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## VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

December 7, 2000

GWR Operating Company  
9800 Centre Parkway, Suite 900  
Houston, TX 77036

Re: Re-Entry Proposal  
Wyonana #1 Well  
Township 25 North, Range 3 West  
Section 25: SW/4  
Rio Arriba County, New Mexico

Gentlemen:

McElvain Oil & Gas Properties, Inc. as sole general partner and Operator in behalf of T.H. McElvain Oil & Gas Limited Partnership (“McElvain”) hereby proposes to re-enter an oil and gas well which has been previously plugged and abandoned formerly known as the Wyonana #1 Well located SE/4SW/4 of Section 25, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, in order to attempt a completion of the Mesaverde formation therein for the production of oil and gas from the S/2 of said Section 25 as the dedicated proration unit.

The estimated cost to complete the well, as proposed, is \$364,150, which is detailed on the enclosed McElvain Authority for Expenditure dated September 6, 2000. Also enclosed for your review is the Recompletion Procedure.

An Opinion of Title is being ordered to cover the proration unit and an Operating Agreement to govern operations across the dedicated proration unit is being prepared using AAPL Model form 610-1982 revised and will be transmitted to you for review and execution in the very near future.

We request that you review the enclosed proposal and indicate your election regarding participation and execute the enclosed Election Page in the space provided and return one copy to this office at your earliest possible convenience. If your election is to participate, we ask that you also execute the enclosed Authorization for Expenditure and return one copy to this office along with your executed Election Page. Telefax copies of the executed documents will be accepted at.

**McElvain Oil & Gas Properties, Inc.**  
**(303) 893-0914**  
**Attention: Mona L. Binion**

Provided that original copies are delivered promptly thereafter.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 12635 Exhibit No. 6  
Submitted by:  
McElvain Oil & Gas Properties, Inc.  
Hearing Date: May 17, 2001

GWR Operating Company  
December 7, 2000  
Page 2

McElvain is an active operator in this area and is currently drilling and completing new wells and re-entering and re-completing old wells as an effort to explore and develop the Mesaverde formation. At this point we have under contract rig(s) and equipment which are adequate to perform the proposed operation, however, this equipment must be kept active in order to maintain contract rights for their use. The proposed re-entry described herein is scheduled in this program in commence prior to year-end 2000 and in light of the circumstances and in order to avoid additional delays which could arise from weather conditions or sensitive surface restrictions, we respectfully request that you review and respond to this proposal at your earliest possible convenience.

If you have any questions concerning this proposal, please feel free to contact the undersigned. We look forward to hearing from you soon.

Very truly yours,  
**McElvain Oil & Gas Properties, Inc.**

Mona L. Binion, CPL  
Land Manager

MLB/idi  
Encls.

# McElvain Oil & Gas Properties, Inc.

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## VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 7, 2000

Dugan Production Corporation  
709 E. Murray Drive  
Farmington, NM 87401

Re: Re-Entry Proposal  
Wyonna #1 Well  
Township 25 North, Range 3 West  
Section 25: SW/4  
Rio Arriba County, New Mexico

Gentlemen:

McElvain Oil & Gas Properties, Inc. as sole general partner and Operator in behalf of T.H. McElvain Oil & Gas Limited Partnership ("McElvain") hereby proposes to re-enter an oil and gas well which has been previously plugged and abandoned formerly known as the Wyonana #1 Well located SE/4SW/4 of Section 25, Township 25 North, Range 3 West, Rio Arriba County, New Mexico, in order to attempt a completion of the Mesaverde formation therein for the production of oil and gas from the S/2 of said Section 25 as the dedicated proration unit.

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Dugan Production Corporation

December 7, 2000

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Land Manager

MLB/idi  
Encls.

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FAX 303-893-0914  
Cellular 303-809-2058

---

## VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

December 7, 2000

Herbert Kai  
P.O. 500  
Rillito, AZ 85654

Re: Re-Entry Proposal  
Wyonna #1 Well  
Township 25 North, Range 3 West  
Section 25: SW/4  
Rio Arriba County, New Mexico

Gentlemen:

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**Attention: Mona L. Binion**

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Herbert Kai  
December 7, 2000  
Page 2

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Mona L. Binion, CPL  
Land Manager

MLB/idi  
Encls.

**ELECTION PAGE**

**Re-Entry – Mesaverde Completion**

**Wyonona #1 Well**

**November 10, 2000**

\_\_\_\_\_ YES, I/We do hereby elect to participate in the proposed re-entry and Mesaverde formation recompletion in the oil and gas well located in the SE/4SW/4 of Section 25, Township 25 North, Range 3 West, Rio Arriba County, New Mexico formerly known as the Wynona #1.

\_\_\_\_\_ NO, I/We do hereby elect NOT to participate in the proposed re-entry and Mesaverde formation recompletion in the oil and gas well located in the SE/4SW/4 of Section 25, Township 25 North, Range 3 West, Rio Arriba County, New Mexico formerly known as the Wynona #1. As an alternative to participation, I/We hereby offer support to McElvain and the participating parties hereunder the following:

*(Please select one of the following if your election is NOT to participate)*

\_\_\_\_\_ I/We hereby offer to farmout my/our working interest in the proposed well on mutually acceptable terms to be negotiated among the parties and, therefore, request a proposal of terms from McElvain; OR,

\_\_\_\_\_ I/We hereby offer to sell my/our interest in the proposed well as an alternative to participation and hereby request a proposal of sale terms from McElvain; OR,

\_\_\_\_\_ I/We hereby offer to execute a mutually acceptable Operating Agreement which shall reflect an election against my/our working interest as a non-participating, non-drilling party subject to the penalty provisions contained therein.

!! !

**McELVAIN OIL & GAS PROPERTIES, INC.**

AUTHORITY for EXPENDITURE

September 6, 2000

WYNONA #1 Mv Recompletion  
SE/SW Section 25 T25N R3W

DRY  
HOLE

COMPLETED  
WELL

<b>Completion Intangibles</b>		
Title Work, Survey & Permitting		2,500
Location, Road, Damages		8,500
Completion Unit 21 days @ \$2,500/day		52,500
Perforating & Cased Hole Logging		15,000
Stimulation acid & frac		135,000
Tool & Tank Rental		15,000
Supervision 25 days @ \$650/day		16,250
Water		15,000
Trucking		12,000
Roustabouts/Labor 7 days @ \$2000/day		14,000
Location Rehab		2,500
5% Contingency		13,900
<b>Total Completion</b>	<b>0</b>	<b>299,650</b>

**Total Intangibles**

**0**

**299,650**

<b>Tangibles</b>		
Casing..Surface		
Casing..Intermediate		
Casing..Liner		
Tubing..6000' 2 3/8" @ \$2.30/ft		13,800
Wellhead		7,500
Bits		1,200
Artificial Lift..Plunger		4,500
Tanks & Pits		13,500
Separator & Dehydrator		17,500
Line Pipe & Fittings		6,500
<b>Total Tangibles</b>	<b>0</b>	<b>64,500</b>

**Total Well Cost**

**\$0**

**\$364,150**

APPROVALS:

McElvain Oil & Gas Properties, Inc.



Date:

9/6/00

Approved by: \_\_\_\_\_ Title: \_\_\_\_\_

Company: \_\_\_\_\_

Z 152 933 687

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See Reverse)

SENDER'S OPERATING COMPANY  
9800 CENTRE PARKWAY, SUITE 900  
HOUSTON, TX 77036

Street & Number	HOUSTON, TX 77036
Post Office, State, & ZIP Code	
Postage	<i>Returned</i>
Certified Fee	<i>Undeliverable</i>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
  - Restricted Delivery
- Consult postmaster for fee.

**NOT DELIVERABLE TO ADDRESSEE**  
**RETURN TO SENDER**

3. Article Addressed to:

**GWR OPERATING COMPANY**  
9800 CENTRE PARKWAY, SUITE 900  
HOUSTON, TX 77036

4a. Article Number

*Z 152 933 687*

4b. Service Type

- Registered
- Certified
- Express Mail
- Insured
- Return Receipt for Merchandise
- COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

**X**

Thank you for using Return Receipt Service.

CERTIFIED

Z 152 933 687

MAIL

NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD



NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD



NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD



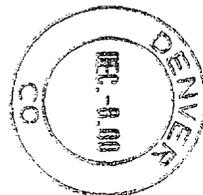
MCELVAIN OIL & GAS PROPERTIES, INC.  
INDEPENDENCE PLAZA  
1050 17TH STREET • SUITE 1800  
DENVER, COLORADO 80265

GWR OPERATING COMPANY  
9800 CENTRE PARKWAY, SUITE 900  
HOUSTON, TX 77036

NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD

FOE  
9603  
mark

SEND



# 0000007774



Z J52 933 646

**US Postal Service  
Receipt for Certified Mail**

No Insurance Coverage Provided.  
Do not use for International Mail. (See reverse)

Sent to

**DUGAN PRODUCTION**  
Street & Number  
**709 E. MURRAY DRIVE**  
Post Office  
**FARMINGTON NM 87401**

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date	

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- 1.  Addressee's Address following services (for an extra fee):
- 2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

**DUGAN PRODUCTION**  
**709 E. MURRAY DRIVE**  
**FARMINGTON, NM 87401**

4a. Article Number

2152 933 646

4b. Service Type

- Certified
- Registered
- Express Mail
- Return Receipt for Merchandise
- COD

7. Date of Delivery

12-11-00

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)  
*Billie Farkensley*

6. Signature: (Address or Agent)  
*Billie Farkensley*

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

HERBERT KAI  
PO 500  
RILLITO, AZ 85654

4a. Article Number

2 152 933 686

4b. Service Type

- Registered
- Certified
- Express Mail
- Insured
- Return Receipt for Merchandise
- CQD

7. Date of Delivery

12-13-88

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

*[Signature]*

PO Box 550  
Rillito AZ 85654

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-97-B-Q179

Domestic Return Receipt

Z 152 933 686

US Postal Service  
**Receipt for Certified Mail**

No Insurance Coverage Provided.  
Do not use for International Mail. (See reverse)

Sent to	HERBERT KAI
Street & Number	PO 500
Post Office, State, ZIP Code	RILLITO AZ 85654
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, April 1995