

**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

**VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

December 7, 2000

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

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.

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 Commission  
Santa Fe, New Mexico  
Case Nos. 12635 *de novo*, 12705 Exhibit No. 5  
McElvain Oil & Gas Properties, Inc.  
Hearing Date: November 6, 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:

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Attention: Mona L. Binion

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Dugan Production Corporation  
December 7, 2000  
Page 2

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**McElvain Oil & Gas Properties, Inc.**

Mona L. Binion, CPL  
Land Manager

MLB/idi  
Encls.

# 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

---

## 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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**McElvain Oil & Gas Properties, Inc.**

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 and election against my/our working interest as a non-participating, non-drilling party subject to the penalty provisions contained therein.

!! :

7 135 733 601

U.S. Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

9800 CENTRE PARKWAY, SUITE 900  
HOUSTON, TX 77036

Postage	\$
Certified	
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	\$

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

**FORWARDED**

Consult postmaster for fee.

3. Article Addressed to:

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

4a. Article Number

**2152 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



NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD

FOE  
2603  
mark

SSD

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



0000007777



Z - 32 933 646

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	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3890, April 1995

Is your RETURN ADDRESS completed on the reverse side?

<b>SENDER:</b> ■ 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): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.
3. Article Addressed to:  DUGAN PRODUCTION 709 E. MURRAY DRIVE FARMINGTON, NM 87401	4a. Article Number 7152 933 646	
	4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name) <i>Billie Tankersley</i>	7. Date of Delivery 12-11-00	
6. Signature: (Addressee or Agent) <i>Billie Tankersley</i> <b>X</b>	8. Addressee's Address (Only if requested and fee is paid)	

Thank you for using Return Receipt Service.

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	
<b>TOTAL Postage &amp; Fees</b>	<b>\$</b>
Postmark or Date	

PS Form 3800, April 1995

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

- Addressee's Address
- 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       COD

7. Date of Delivery  
**12-13-00**

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
*[Signature]*

8. Addressee's Address (Only if requested and fee is paid)  
**PO Box 550  
Rillito AZ 85654**

PS Form 3811, December 1994      102595-97-B-Q179      Domestic Return Receipt

Thank you for using Return Receipt Service.