

DATE IN <u>3-22-10</u>	SUSPENSE	ENGINEER <u>DB.</u>	LOGGED IN <u>3-22-10</u>	TYPE <u>NSL</u>	APP NO. <u>1008154003</u>
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PTG-W

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 Oil & Gas

ADMINISTRATIVE APPLICATION CHECKLIST

Argo Well #1

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]

30-045-33395
6167

- [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- **waiver statement included in application letter**

[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.

Robert E. Fielder _____ *Robert E. Fielder* _____ Agent _____ March 24, 2010
 Print or Type Name Signature Title Date

pmci@advantas.net
 e-mail Address

PROPERTY MANAGEMENT & CONSULTING, INC.

P. O. BOX 2596
FARMINGTON, NEW MEXICO 87499-2596
(505) 325-5220

March 19, 2010

PTG-W
1008154003

RECEIVED
2010 MAR 22 PM 1 23

30-045-33345

State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
Attn: Mr. David Brooks

Re: Unorthodox Location, Administrative Approval Request
McElvain Oil and Gas Properties, Inc
Argo No. 1
Basin Fruitland Coal
1798' FNL and 414' FWL, Sec 21, T30N, R13W, NMPM
San Juan County, New Mexico

APD expires 9-1-10

Dear Mr. Brooks:

McElvain Oil and Gas Properties, Inc. respectfully requests that an unorthodox location be administratively approved for the Argo No. 1 for topographic and archeological reasons. This location was originally staked by Yates Petroleum as the D Miller No. 2 at a different surface location and this location was under review by the New Mexico Department of Game and Fish for a possible move at the time Yates sold the property to McElvain Oil & Gas Properties, Inc. McElvain has subsequently changed the name of the well and after several years of consultation has reached agreement with the New Mexico Department of Game and Fish regarding the acceptability of this location to satisfy their concerns regarding placement in the proposed historic area of Jackson Lake Game Refuge and also where it will not interfere with planned expansion of the farming and irrigation operations on the refuge. The staked location is 246 feet too close to the west section line for this W/2 acreage dedication due to these reasons. A copy of the C-102, well site layout and topographic map are attached for your reference.

We are infringing on the Fruitland Coal proration units in Section 20, T30N, R13W and these units are operated by McElvain Oil & Gas Properties, Inc. Working interest ownership in the offsetting Fruitland Coal spacing units (N/2 & S/2 of 20) is the same as this proration unit as to the parties and percentage therefore no offset operator notification is necessary in accordance with 19.15.4.12.A(2). McElvain, as operator of the offset units, waives objection to this unorthodox location by the authority granted them in the JOA's.

The closest offset Fruitland Coal well is another McElvain proposed location approximately 1900 feet northwest of this proposed location. All other immediate offset Fruitland Coal completions are 2850 feet to 4200 feet away from the proposed location.

Please call me at 505.320.1435 or e-mail me at pmci@advantas.net if you have any questions.

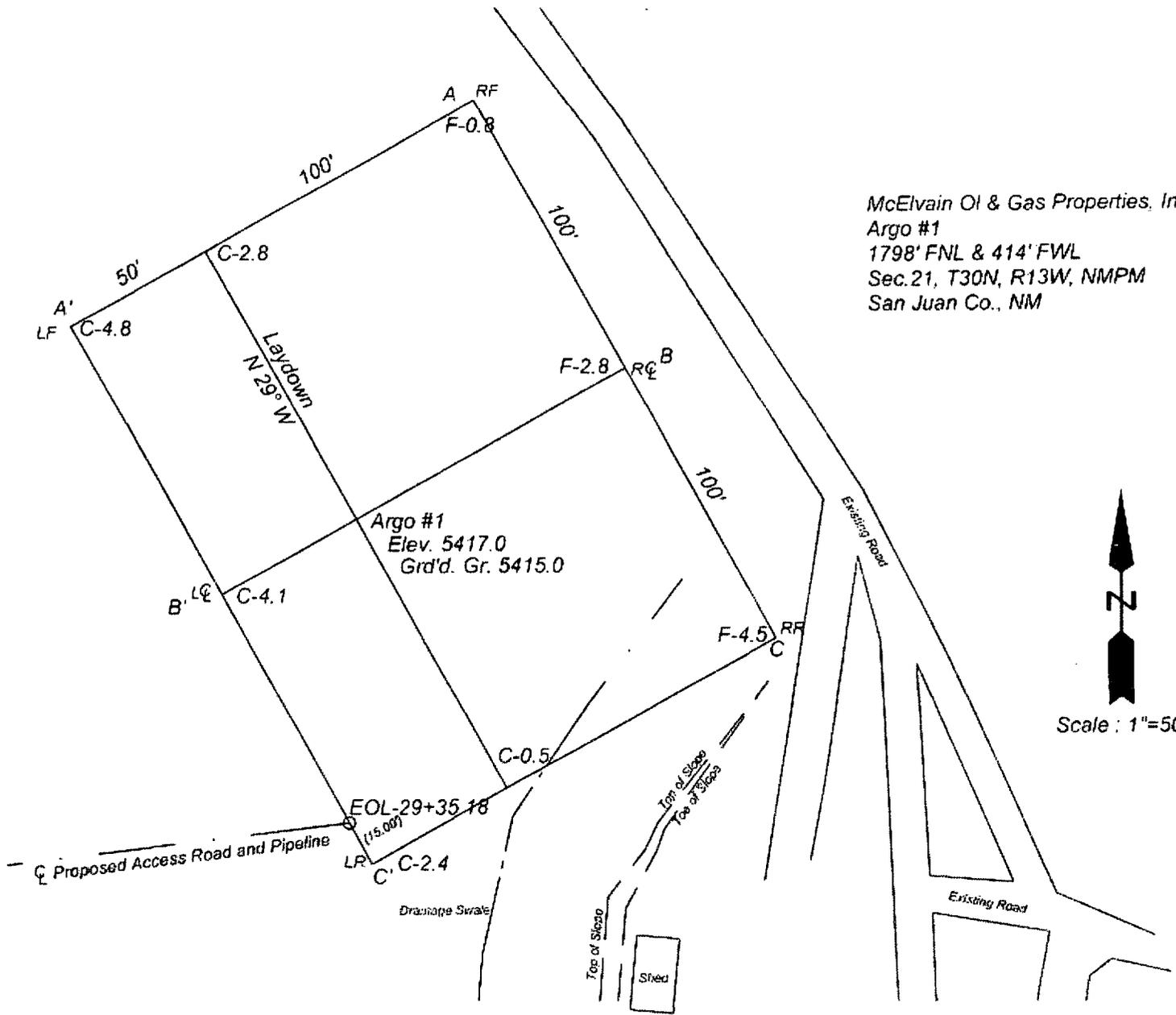
Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Fielder". The signature is written in a cursive style with a large, stylized initial 'R'.

Robert E. Fielder
Agent for McElvain Oil and
Gas Properties, Inc.

XC: McElvain Oil & Gas Properties, Inc.
Denver, Colorado

McElvain Oil & Gas Properties, Inc.
 Argo #1
 1798' FNL & 414' FWL
 Sec. 21, T30N, R13W, NMPM
 San Juan Co., NM



A-A' Vert.: 1"=30' Horiz.: 1"=50'

5420	-----	-----	-----	-----	-----
5410	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

B-B'

5420	-----	-----	-----	-----	-----
5410	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

C-C'

5420	-----	-----	-----	-----	-----
5410	-----	-----	-----	-----	-----
	-----	-----	-----	-----	-----

108°14'00" W

ARGO #1

108°13'00" W

WGS84 108°12'00" W

36°49'00" N

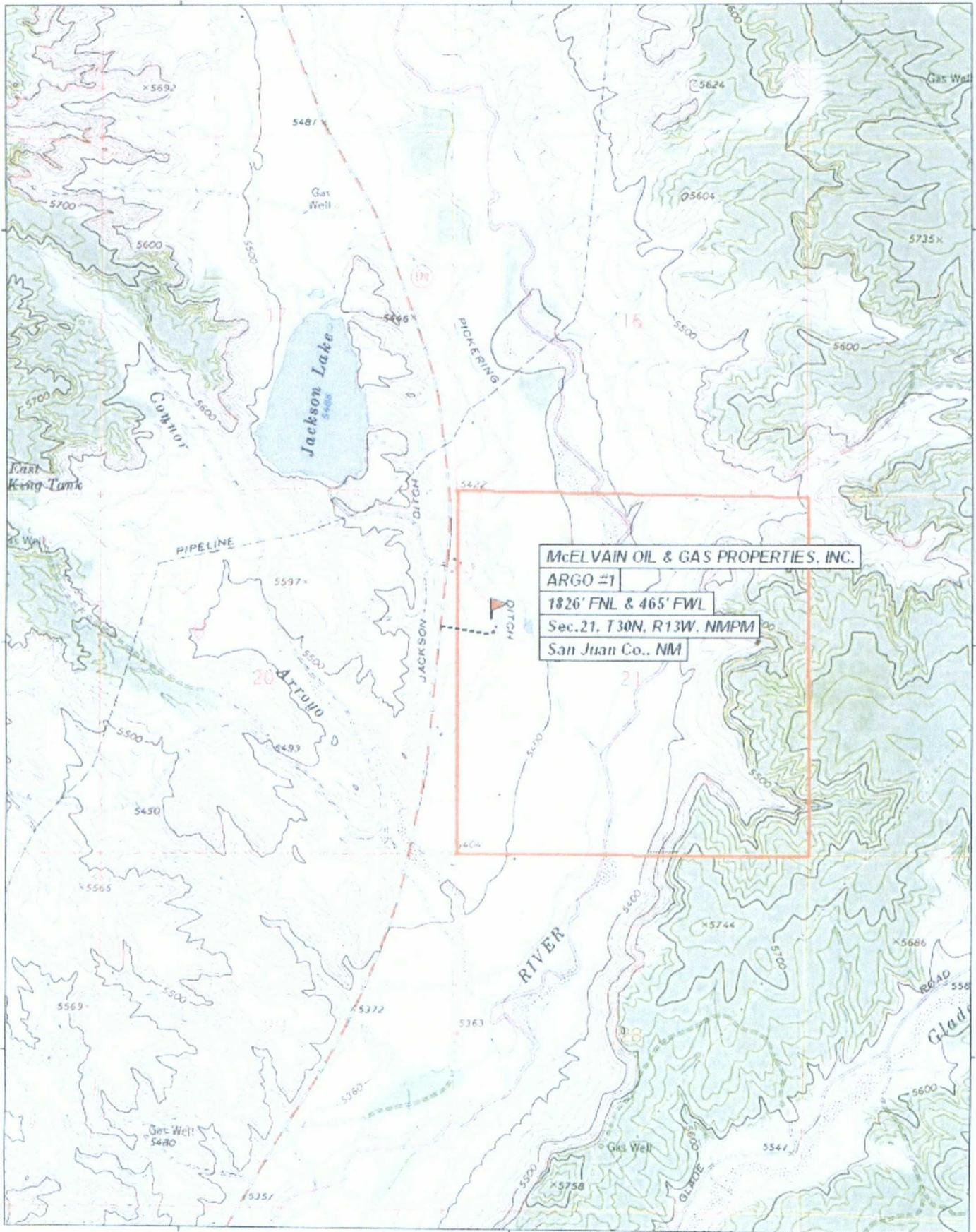
36°49'00" N

36°48'00" N

36°48'00" N

36°47'00" N

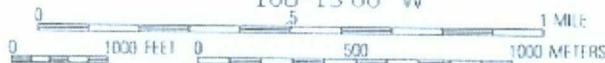
36°47'00" N



108°14'00" W

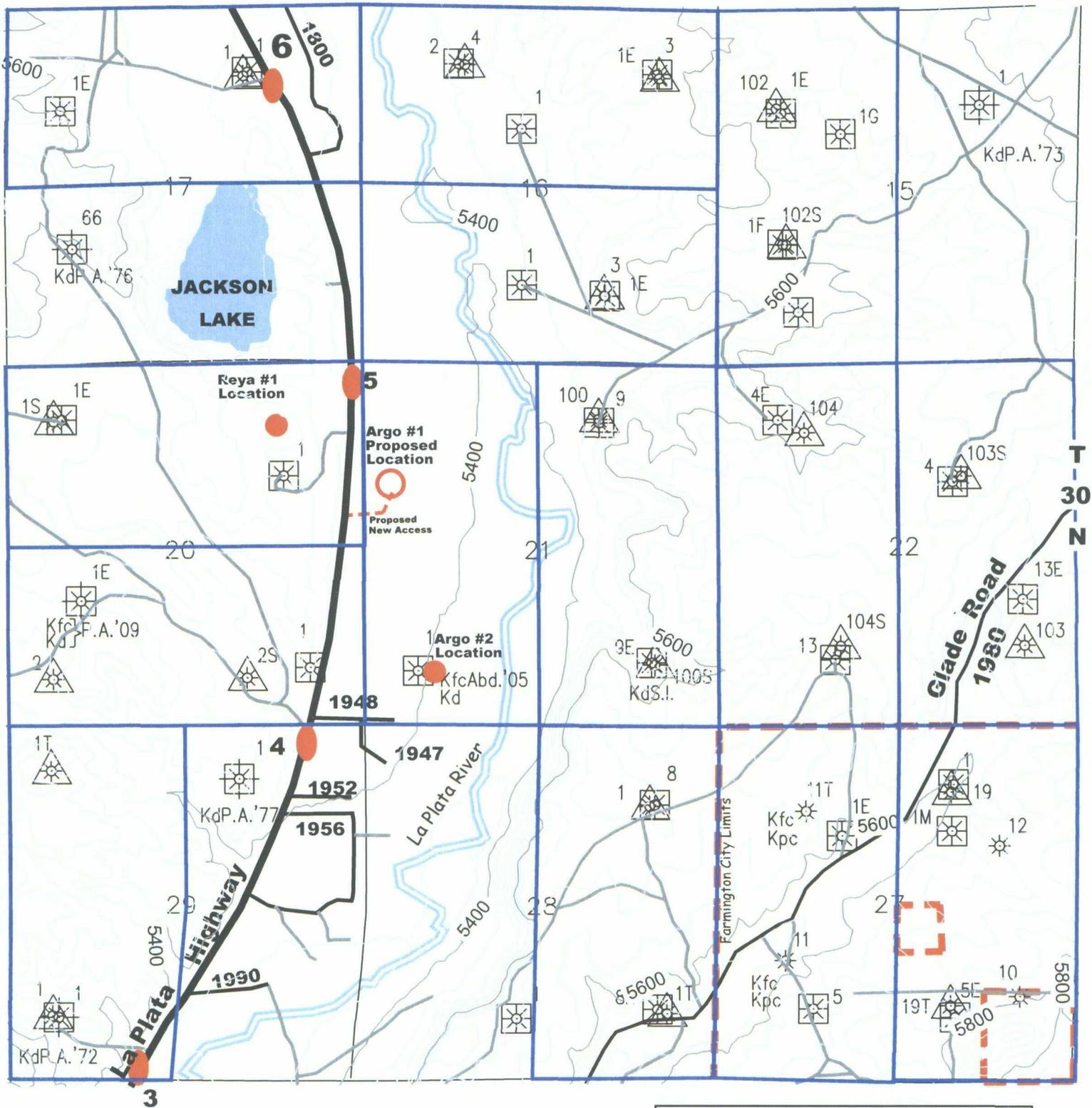
108°13'00" W

WGS84 108°12'00" W



Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

R - 13 - W



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

Offset Fruitland Coal Spacing Units

ARGO #1
1798' FNL, 414' FWL
SECTION 21, T30N / R13W
 SAN JUAN COUNTY, NEW MEXICO

POSTED TO: 02-26-2010 C.I. = 40' SCALE: 1"=2000'

Prepared by: **HOPKINS MAP SERVICE**
 P. O. BOX 536 FARMINGTON, N.M. 87499

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, March 25, 2010 9:54 AM
To: 'pmci@advantas.net'
Subject: McElvain Oil & Gas - Argo #1; NSL application

Dear Mr. Fielder

I have received the referenced application.

Can you tell me if McElvain contemplates a N/2 or a W/2 unit for this well?

Thanks

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Bob Fielder [pmci@advantas.net]
Sent: Thursday, March 25, 2010 11:35 AM
To: Brooks, David K., EMNRD
Subject: RE: McElvain Oil & Gas - Argo #1; NSL application
Attachments: Argo 1 offset FC prounits_locs.pdf

David:

We have the west half dedicated to this well and the Argo 2 as shown on the attachment titled Offset Fruitland Coal Spacing Units. I am attaching another copy in case this was lost somewhere.

Thanks

Bob

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, March 25, 2010 9:54 AM
To: pmci@advantas.net
Subject: McElvain Oil & Gas - Argo #1; NSL application

Dear Mr. Fielder

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David K. Brooks
Legal Examiner

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