

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101

District II
PO Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

CONFIDENTIAL
Submit to Appropriate District Office
6 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address McElvain Oil & Gas Properties Inc. 1050 17th Street, Suite 1800 Denver, CO 80265		² OGRID Number 22044
⁴ Property Code 26704	⁵ Property Name Bear Com 28	³ API Number 30039-26672
		⁶ Well No. 1M

⁷ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	26N	2W		790	North		West	Rio Arriba

⁸ Proposed 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
⁹ Proposed Pool 1 Basin Dakota					¹⁰ Proposed Pool 2 Blanco Mesa Verde				
¹¹ Work Type Code N		¹² Well Type Code G		¹³ Cable/Rotary R		¹⁴ Lease Type Code P		¹⁵ Ground Level Elevation 7389'	
¹⁶ Multiple N		¹⁷ Proposed Depth 8296'		¹⁸ Formation Dakota		¹⁹ Contractor Not selected		²⁰ Spud Date 08/01/01	

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12.250"	9.625"	36	600'	320	surface
8.750"	5.500"	15.5	6181'		
7.875"	5.500"	15.5&17.0	8296'	2100-3 stage	surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
McElvain Oil & Gas Properties Inc. proposes to spud this well in the San Jose formation. Drill the 12 1/4" surface hole to 600' with a fresh water mud. Run and cement surface casing with sufficient volume to circulate to surface using 100 % excess. WOC 12 hours. Nipple up 11" 3000# BOPE. Pressure test surface casing and BOPE to 600 psi for 15 minutes. Drill an 8 3/4" hole approximately 40' into Mancos formation. Reduce hole size to 7 7/8" and drill to TD using a low solids mud system mixed with Mesa Verde and / or Dakota produced water. Run Induction and Compensated density / Epithermal neutron logs from TD to surface casing shoe. Run and cement production casing in three stages using 50 % excess over gauge hole volume to circulate to surface. Move out rotary rig. Move in completion unit. Run cased hole correlation logs. Test production casing to 3500 psi for 15 minutes. Perforate select Dakota or Mesa Verde intervals and stimulate using a 2 % KCl water based fluid. If logs indicate the Dakota and Mesa Verde formation is commercial then both will be completed after the DHC application is approved.
Tops: Nacimiento-1886'; Ojo Alamo-3451'; Fruitland-3651'; Pictured Cliffs-3751'; Cliff House-5541'; Menefee-5601'; Pt. Lookout-5916'; Mancos-6141'; Gallup-6976'; Dakota-7881'.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: <i>R. E. Fielder</i>	
Printed Name: R. E. Fielder	
Title: Agent	
Date: February 14, 2001	Phone: (505) 325-5220

OIL CONSERVATION DIVISION	
Approved by: <i>[Signature]</i>	
Title: DEPUTY OIL & GAS INSPECTOR, DIST. 03	
Approval Date: FEB 15 2001	Expiration Date: FEB 15 2002
Conditions of Approval: Attached <input type="checkbox"/>	

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer 00, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

CONFIDENTIAL
Submit to Appropriate District Office
State Lease - 4 Copies
Free Lease - 6 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30039-26672		*Pool Code 72319 / 71599	*Pool Name Blanco Mesa Verde / Basin Dakota
*Property Code 26704	*Property Name BEAR COM 28		*Well Number 1M
*GRID No. 22044	*Operator Name McELVAIN OIL & GAS PROPERTIES		*Elevation 7389'

¹⁰ Surface Location

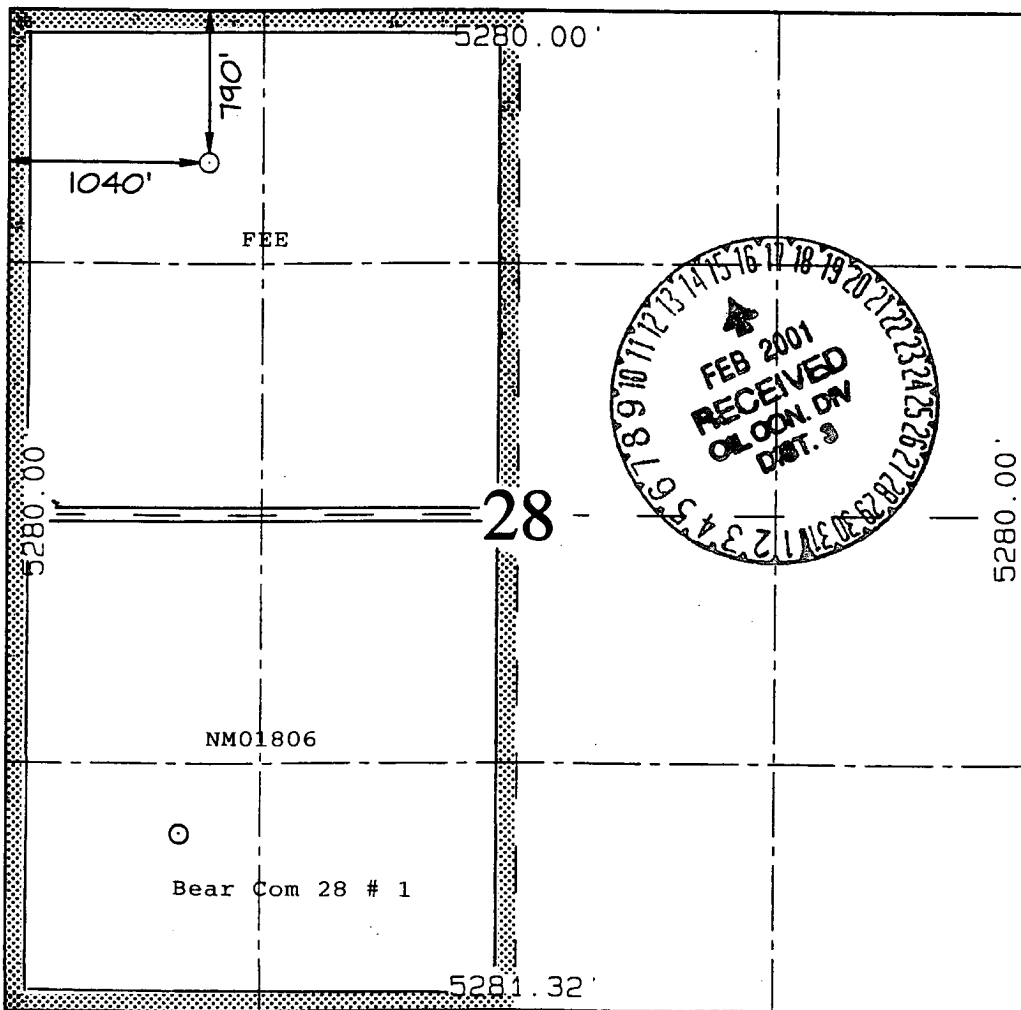
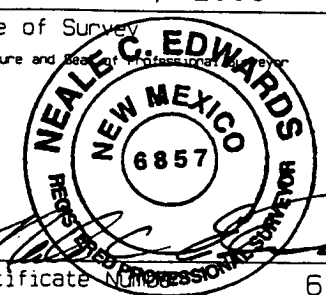
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	26N	2W		790	NORTH	1040	WEST	RIO ARRIBA

¹¹ 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

¹² Dedicated Acres 320.00 <i>W/2</i>	¹³ Joint or Infill Y	¹⁴ Consolidation Code C	¹⁵ 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>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>R. E. Fielder</i> Signature R. E. Fielder Printed Name Agent Title February 7, 2001 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION 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>JANUARY 4, 2000 Date of Survey Signature and Seal of Professional Surveyor  Certificate Number 6857</p>