

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2001

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ 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 17 th St., Suite 2500 Denver, CO 80265-2080		² OGRID Number 22044
		³ API Number 30 - 045-32974
³ Property Code 36851	⁵ Property Name Kenji	⁶ Well No. 1
⁹ Proposed Pool 1 Basin Fruitland Coal		¹⁰ Proposed Pool 2

Surface Location

UL or lot no. B	Section 17	Township 30N	Range 13W	Lot Idn	Feet from the 1046	North line	Feet from the 1789 ⁰⁹	East line	County San Juan
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Proposed Bottom Hole Location If Different From Surface

UL or lot no. C H	Section 17 17	Township 30N 30N	Range 13W 13W	Lot Idn	Feet from the 660 1950	North line	Feet from the 1377 700	East/West line West East	County San Juan San Juan
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Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 5476'
¹⁶ Multiple No	¹⁷ Proposed Depth * See 22 below	¹⁸ Formation Fruitland Coal	¹⁹ Contractor CBM	²⁰ Spud Date 09/12/2011

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
Lat 1-4.75"	2.875"	6.5	3392'MD/1314'TVD	0	
Lat 2-4.75"	2.875"	6.5	2603'MD/1364'TVD	0	

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.

* Lateral 1 depths-3392'MD/1314'TVD

Lateral 2 depths- 2603'MD/1364'TVD

McElvain Oil & Gas Properties, Inc. proposes to re-enter this low volume Fruitland Coal well, temporarily isolate the existing Fruitland Coal perforations by use of a RBP, open two windows in the existing 5½" casing, drill a lateral in the Fruitland Coal formation out of each window, case each lateral with a pre-perforated uncemented liner and return well to production through the two laterals and the existing perforations after pulling the RBP.

Directional plans are outlined in the attached directional programs and the wellbore schematic.

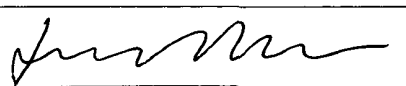
Blowout prevention equipment is described in the attached drilling plan and schematic.

* Have mud-logger on-site to ensure Laterals stay in-zone → contact OGD if out of zone

* HOLD C-104 for As-Drilled Plat & Directional Survey

RCVD AUG 29 '11

OIL CONS. DIV.
DIST. 3

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Robert E. Felder		Title: Deputy Oil & Gas Inspector, District #3	
Title: Agent		Approval Date: AUG 30 2011	Expiration Date: AUG 30 2012
E-mail Address: pmc1@advantas.net			
Date: 08/26/2011	Phone: 505.320.1435	Conditions of Approval Attached ☐	

AUG 30 2011

DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-32974		² Pool Code 71629	³ Pool Name BASIN FRUITLAND COAL
⁴ Property Code 36851	⁵ Property Name KENJI		⁶ Well Number 11
⁷ OGRID No. 22044	⁸ Operator Name McELVAIN OIL AND GAS PROPERTIES, INC.		⁹ Elevation 5476

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
B	17	30N	13W		1046'	NORTH	1709'	EAST	SAN JUAN

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
C	17	30N	13W		660'	NORTH	1377'	WEST	SAN JUAN
H	17	30N	13W		1950'	NORTH	700'	EAST	SAN JUAN
¹² Dedicated Acres 320.00 Acres. - (N/2)			¹³ Joint or Infill		¹⁴ Consolidation Code		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

16

[illegible]

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Rohit E. Fulk Date 8/26/2011

Robert E. Fielder
Printed Name

pmci@advantas.net
E-mail Address

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.

JULY 27, 2011

Date of Survey _____

Signature and Seal of Professional Surveyor:

David Russell

DAVID R. RUSSELL
REGISTERED PROFESSIONAL LAND SURVEYOR
1984

DAVID RUSSELL

Certificate Number 10201

McELVAIN OIL & GAS PROPERTIES, INC.
Kenji #1
Re-enter, Sidetrack and Drill Fruitland Coal Laterals

LOCATION: SENWNE Sec 17, T30N, R13W
1,046' FNL & 1,710' FEL
San Juan County, NM

API: 05-045-32974

TD: 1,655' PBSD: 1,601'

KB: 5,482'

GL: 5,477'

PURPOSE of WORK: Re-enter existing wellbore, mill casing windows, sidetrack and drill a ± 1925 ft lateral northwesterly and a ± 1100 ft lateral southeasterly in the Basal Fruitland Coal

CASING:

8 5/8", 24#, J-55 @ 522' in 12 1/4" hole
Cemented with 265 sxs (76.7 bbls) Type V + 2% CaCl + 1/4 #/sk Flakes
15.6 ppg Yield: 1.18 cuft/sk
Circulated 30 bbls to surface
Superior

5 1/2", 15.5#, J-55 @ 1,644' in 7 7/8" hole
Lead: 110 sxs (49.8 bbls) Class "G" + Super Sil-SP + 1/4 #/sk Flakes
11.8 ppg Yield: 2.54 cuft/sk
Tail: 110 sx (23.1 bbls) Class "G" + 3% Super fl-300 + 1/4 #/sk Flakes
15.6 ppg Yield: 1.18 cuft/sk
Circulated 11 bbls to Surface
Superior

TUBING:

<u>Item</u>	<u>Length</u>	
Mud Anchor	30.60	
Perf Sub	4.05	
Seat Nipple	1.10	1516.84
5 jts Coated 2-7/8", 6.5#, J-55	157.64	
4 jts Yellow Band 2-7/8", 6.5#, J-55	127.84	
41 jts 2-7/8", 6.5#, J-55	1,226.36	
KB	5.00	
End of Tubing	1,552.59	

RODS:

<u>Item</u>	<u>Length</u>
2" x 1.5" x 12' RWAC Pump	12.00
Guide	4.00
3 Sinker Bars	75.00
56 3/4" Plain Rods	1,400.00
3/4" Pony	2.00
Polish Rod	22.00
<u>Rod String</u>	<u>1,515.00</u>

EXISTING PERFORATIONS:

Basal Fruitland Coal: 1,340' – 1,348'; 8'; 4 spf; 36 shots (04-24-2008)

FORMATION TOPS:

Ojo Alamo	Surface
Kirtland	672'
Fruitland	1,025'
Pictured Cliffs	1,355'

PROCEDURE:

1. MI & RUSU.
2. POOH and LD 3/4" rods and pump.
3. ND pumping "T", NU 6" 3000# BOPE and test same.
4. RU WLU and make 4-3/4" GR/Junk basket run to 1,200' and POOH.
5. MU gyro tool and perform gyro survey from 1,200' to surface.
6. MU and RIH with RBP and set at 1,142' (4' above csg collar at 1,146').
7. RDMO WLU.
8. Load wellbore and test casing and RBP to 1,000 psi for 30 minutes.
9. ND BOPE, NU tbg head with bull plug.
10. RDMO SU.
11. MIRU drilling rig.
12. NU 6" 3000# BOPE to tubing head and test.
13. MU 4-1/2" whipstock, 4-3/4" milling assembly and orientation tools and RIH.
14. RU WL truck and gyro orient whipstock. Set whipstock. Mill window in 5 1/2" casing @ ±1130' MD/TVD. TOH with milling assembly
15. TIH with 4 3/4" bit and directional tools to ~1,130'.
16. Directionally Drill curve and lateral section 1 to ~3392' MD/ 1314' TVD as outlined in attached directional Plan 2 Rev 1. BHL Lateral 1: 660'FNL-1377'FWL, Sec.17,T30N, R13W, NMPM.
17. TOOH with directional BHA.

PROCEDURE: (cont)

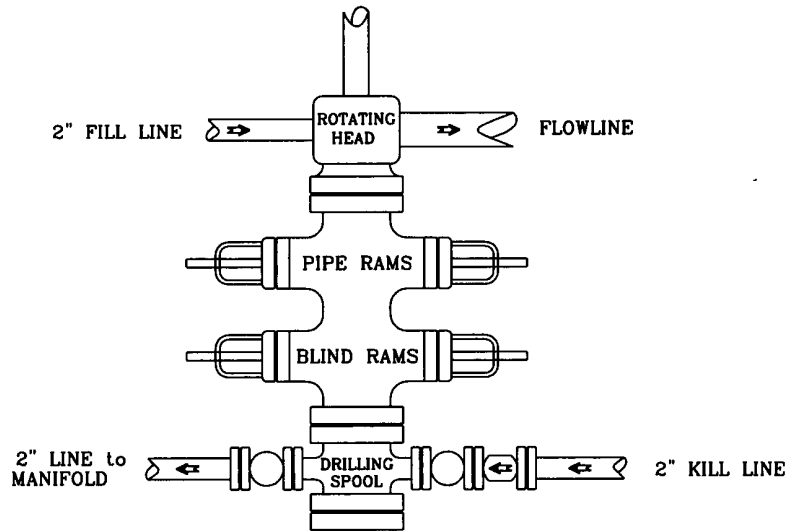
18. RU casing crew and RIH with ~2250' of 2-7/8", 6.5#, J-55 pre-perforated production liner and hydraulic disconnect on 2-7/8" drill pipe to TD with hydraulic set liner hanger receptacle below bottom of window.
19. CBU, drop ball and pump off liner at hydraulic disconnect. TOH with 2-7/8" DP.
20. Retrieve whipstock and RBP.
21. Set RBP at $\pm 1102'$ MD/TVD.
22. MU 4-1/2" whipstock, 4-3/4" milling assembly and orientation tools and RIH.
23. RU WL truck and gyro orient whipstock. Set whipstock. Mill window in 5 1/2" casing @ $\pm 1090'$ MD/TVD. TOH with milling assembly
24. TIH with 4 3/4" bit and directional tools to ~1,102'.
25. Directionally Drill curve and lateral section 2 to ~2602' MD/ 1364' TVD as outlined in attached directional Plan 4. BHL Lateral 2: 1950' FNL-700' FEL, Sec.17,T30N, R13W, NMPM.
26. TOOH with directional BHA.
27. RU casing crew and RIH with ~1500' of 2-7/8", 6.5#, J-55 pre-perforated production liner and hydraulic disconnect on 2-7/8" drill pipe to TD with hydraulic set liner hanger receptacle below bottom of window.
28. CBU, drop ball and pump off liner at hydraulic disconnect. TOH with 2-7/8" DP.
29. Retrieve whipstock and RBP.
30. Set RBP at $\pm 1000'$ MD/TVD and pressure test to 1,000 psi.
31. TOH and LD DP.
32. ND BOPE, NU wellhead and move out drilling rig.
33. MIRU pulling unit.
34. ND wellhead, NU 6" 3000# BOPE and test.
35. PU RBP retrieving tool on 2-7/8" tubing and TIH to RBP at ~1000'.
36. Release RBP and blow well down to tank.
37. Kill well and TOH with RBP.
38. RIH with 2-7/8" tubing and bailer and clean out vertical wellbore to PBTD at 1,601'
39. TOH with tubing and bailer.
40. TIH with mud anchor, perforated sub and 2-7/8" tubing.
41. Land tubing with EOT at ~1,554'.
42. Run rods and pump.
43. RDSU & MOL.

NOTE:

DO NOT USE LIQUID KCl SUBSTITUTE in COMPLETION FLUIDS

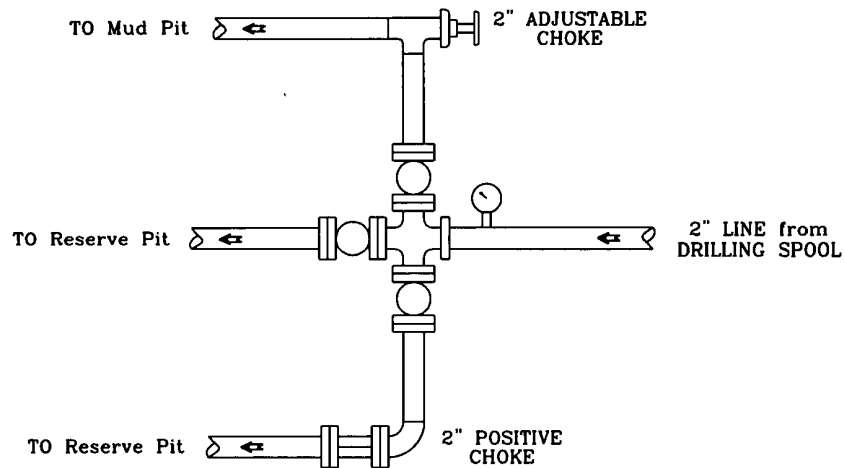
PRESSURE CONTROL

Wellhead Assembly



Preventer and Spools are to have a
6" Bore or larger and a 2000 PSI
or higher Pressure Rating

Choke Manifold



McElvain Oil & Gas Properties, Inc.

Kenji No. 1

1046' FNL - 1710' FEL

Section 17, T30N, R13W, NMPM

San Juan County, New Mexico

MCELVAIN OIL & GAS PROPERTIES, INC.
Kenji #1 Proposed Re-entry Schematic

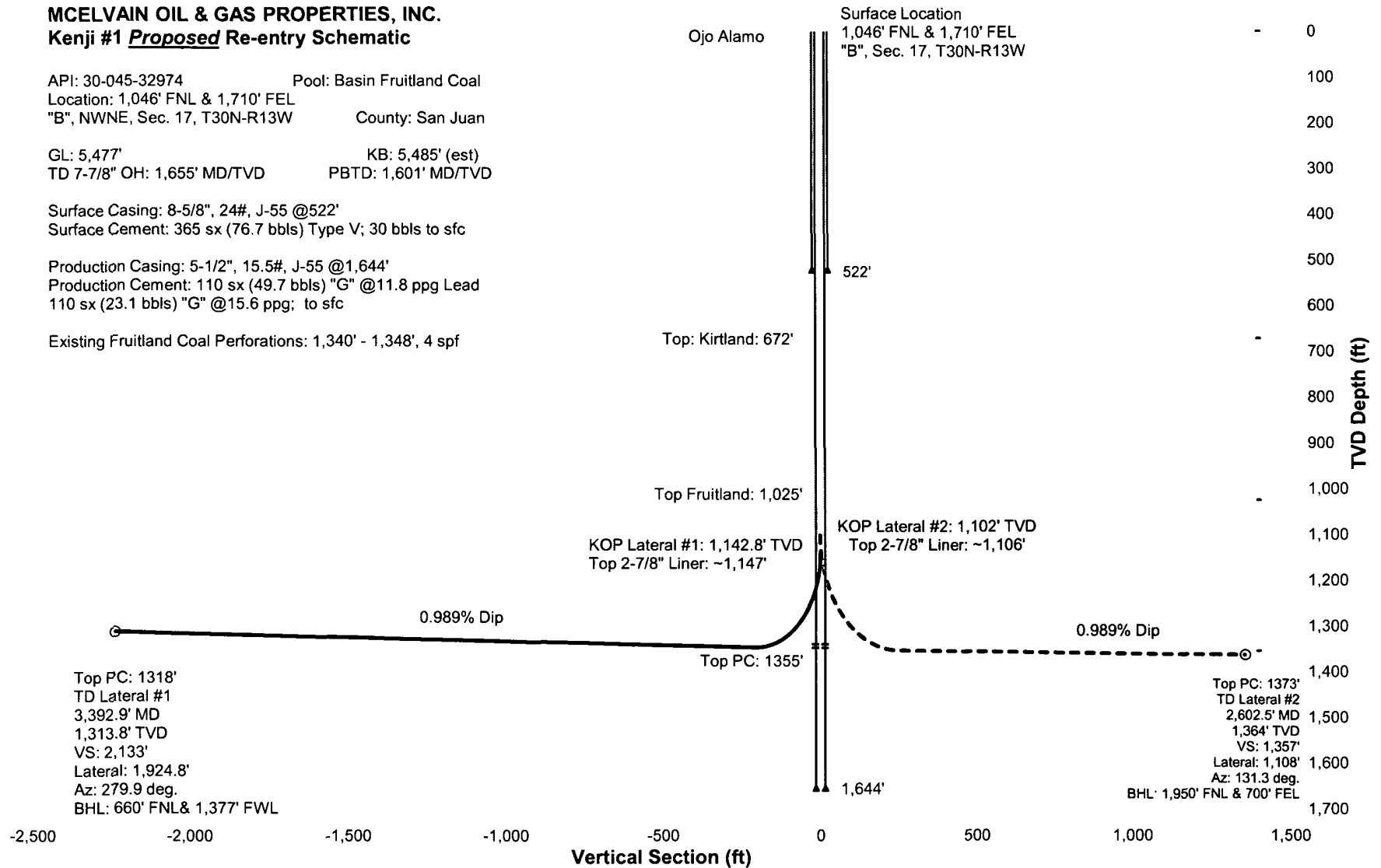
API: 30-045-32974 Pool: Basin Fruitland Coal
 Location: 1,046' FNL & 1,710' FEL
 "B", NWNE, Sec. 17, T30N-R13W County: San Juan

GL: 5,477' KB: 5,485' (est)
 TD 7-7/8" OH: 1,655' MD/TVD PBTD: 1,601' MD/TVD

Surface Casing: 8-5/8", 24#, J-55 @522'
 Surface Cement: 365 sx (76.7 bbls) Type V; 30 bbls to sfc

Production Casing: 5-1/2", 15.5#, J-55 @1,644'
 Production Cement: 110 sx (49.7 bbls) "G" @11.8 ppg Lead
 110 sx (23.1 bbls) "G" @15.6 ppg; to sfc

Existing Fruitland Coal Perforations: 1,340' - 1,348', 4 spf





Scientific Drilling
Directional Drilling Operations

McELVAIN Oil & Gas

San Juan Basin (NM West)

SEC 17-T30N-R13W

Kenji #1

Lateral #1

Plan: Plan 2 Rev 1

Standard Planning Report

02 August, 2011


McElvain Oil & Gas Properties, Inc.





Project: San Juan Basin (NM West)
 Site: SEC 17-T30N-R13W
 Well: Kenji #1
 Wellbore: Lateral #1
 Design: Plan 2 Rev 1

McElvain Oil & Gas Properties, Inc.



WELL DETAILS: Kenji #1

Ground Level: 5477.0
 Northing: 2117183.86 Easting: 2608316.44 Latitude: 36° 49' 3.565 N Longitude: 108° 13' 31.631 W

WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
Kenji #1 Lateral #1 North HL	0.0	386.0	-2121.0	36° 49' 7.295 N	108° 13' 57.735 W	Polygon
Kenji #1 Lateral #1 West HL	0.0	385.0	-2121.0	36° 49' 7.285 N	108° 13' 57.735 W	Polygon
Kenji #1 Lateral #1 BHL	1313.8	368.0	-2101.0	36° 49' 7.118 N	108° 13' 57.488 W	Point
Kenji #1 Lateral #1 LP	1347.4	35.9	-205.1	36° 49' 3.912 N	108° 13' 34.155 W	Point

SECTION DETAILS

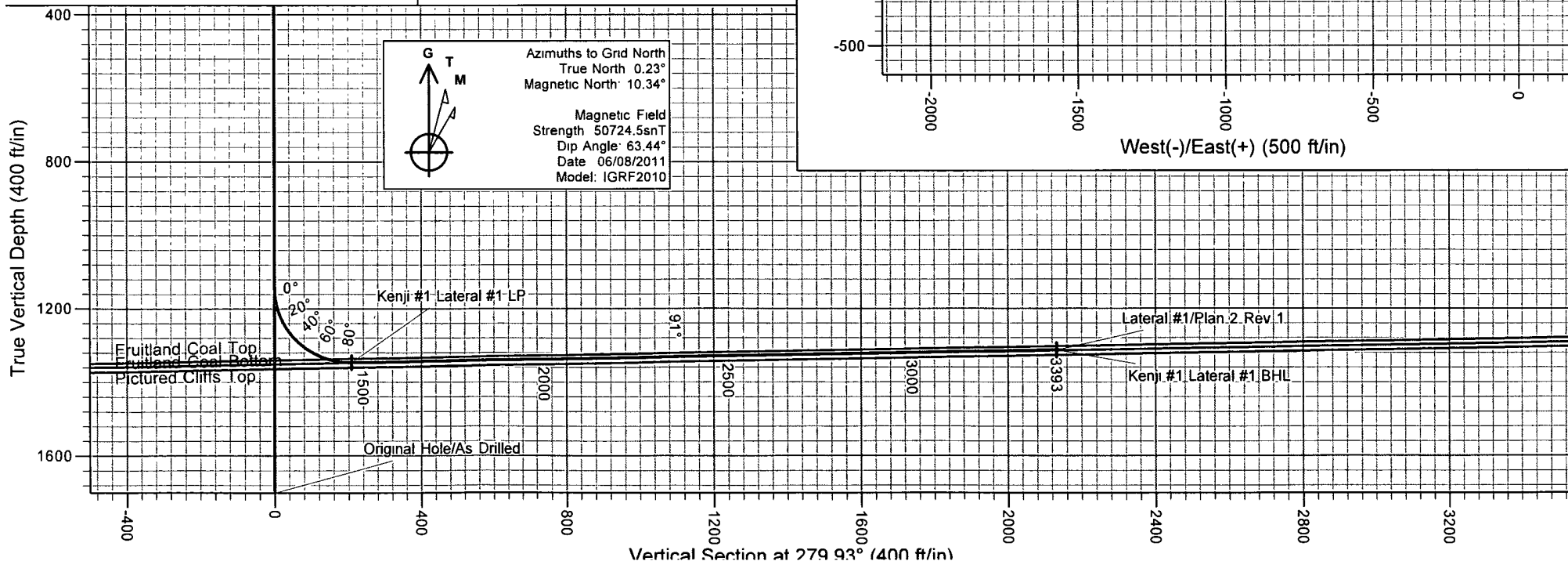
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec	Target
1	1142.8	0.00	0.00	1142.8	0 0	0 0	0.00	0 00	0.0	
2	1467.8	91.00	279.93	1347.4	35.9	-205.1	28.00	279.93	208.2	Kenji #1 Lateral #1 LP
3	3392.9	91.00	279.93	1313.8	367.8	-2101.0	0.00	0.00	2133.0	Kenji #1 Lateral #1 BHL

REFERENCE INFORMATION

Co-ordinate (N/E) Reference: Well Kenji #1, Grid North
 Vertical (TVD) Reference: DF @ 5489.0ft (12' DF + 5477' GL)
 Section (VS) Reference: Slot - (0.0N, 0.0E)
 Measured Depth Reference: DF @ 5489.0ft (12' DF + 5477' GL)
 Calculation Method: Minimum Curvature

PROJECT DETAILS: San Juan Basin (NM West)

Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Western Zone
 System Datum: Mean Sea Level



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Kenji #1
Company:	McELVAIN Oil & Gas	TVD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Project:	San Juan Basin (NM West)	MD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Site:	SEC 17-T30N-R13W	North Reference:	Grid
Well:	Kenji #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan 2 Rev 1		

Project	San Juan Basin (NM West), San Juan County NM		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		Using Well Reference Point
Map Zone:	New Mexico Western Zone		Using geodetic scale factor

Site	SEC 17-T30N-R13W		
Site Position:		Northing:	2,117,183.86 usft
From:	Lat/Long	Easting:	2,608,316.44 usft
Position Uncertainty:	15.0 ft	Slot Radius:	6-1/8 "
		Latitude:	36° 49' 3.565 N
		Longitude:	108° 13' 31.631 W
		Grid Convergence:	-0.24 °

Well	Kenji #1, FC Re-entry		
Well Position	+N/-S	0.0 ft	Northing: 2,117,183.86 usft
	+E/-W	0.0 ft	Easting: 2,608,316.44 usft
Position Uncertainty	3.5 ft	Wellhead Elevation:	Ground Level: 5,477.0 ft

Wellbore	Lateral #1		
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	06/08/11	10.10	63.44	50,725

Design	Plan 2 Rev 1		
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Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	1,142.8
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	279.93

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
1,142.8	0.00	0.00	1,142.8	0.0	0.0	0.00	0.00	0.00	0.00	
1,467.8	91.00	279.93	1,347.4	35.9	-205.1	28.00	28.00	-24.64	279.93	Kenji #1 Lateral #1
3,392.9	91.00	279.93	1,313.8	367.8	-2,101.0	0.00	0.00	0.00	0.00	Kenji #1 Lateral #1

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Kenji #1
Company:	McELVAIN Oil & Gas	TVD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Project:	San Juan Basin (NM West)	MD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Site:	SEC 17-T30N-R13W	North Reference:	Grid
Well:	Kenji #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Plan 2 Rev 1		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
1,142.8	0.00	0.00	1,142.8	0.0	0.0	0.0	0.00	0.00	0.00
1,160.0	4.82	279.93	1,160.0	0.1	-0.7	0.7	28.00	28.00	0.00
1,180.0	10.42	279.93	1,179.8	0.6	-3.3	3.4	28.00	28.00	0.00
1,200.0	16.02	279.93	1,199.3	1.4	-7.8	7.9	28.00	28.00	0.00
1,220.0	21.62	279.93	1,218.2	2.5	-14.2	14.4	28.00	28.00	0.00
1,240.0	27.22	279.93	1,236.4	3.9	-22.3	22.7	28.00	28.00	0.00
1,260.0	32.82	279.93	1,253.7	5.6	-32.2	32.7	28.00	28.00	0.00
1,280.0	38.42	279.93	1,269.9	7.6	-43.6	44.3	28.00	28.00	0.00
1,300.0	44.02	279.93	1,285.0	9.9	-56.6	57.5	28.00	28.00	0.00
1,320.0	49.62	279.93	1,298.7	12.4	-71.0	72.0	28.00	28.00	0.00
1,340.0	55.22	279.93	1,310.9	15.2	-86.6	87.9	28.00	28.00	0.00
1,360.0	60.82	279.93	1,321.5	18.1	-103.3	104.8	28.00	28.00	0.00
1,380.0	66.42	279.93	1,330.3	21.2	-120.9	122.8	28.00	28.00	0.00
1,400.0	72.02	279.93	1,337.4	24.4	-139.3	141.4	28.00	28.00	0.00
1,403.5	72.99	279.93	1,338.5	25.0	-142.6	144.8	28.00	28.00	0.00
Fruitland Coal Top									
1,420.0	77.62	279.93	1,342.7	27.7	-158.3	160.7	28.00	28.00	0.00
1,440.0	83.22	279.93	1,346.0	31.1	-177.8	180.5	28.00	28.00	0.00
1,460.0	88.82	279.93	1,347.4	34.6	-197.4	200.4	28.00	28.00	0.00
1,467.8	91.00	279.93	1,347.4	35.9	-205.1	208.2	28.00	28.00	0.00
Kenji #1 Lateral #1 LP									
1,500.0	91.00	279.93	1,346.8	41.5	-236.8	240.4	0.00	0.00	0.00
1,600.0	91.00	279.93	1,345.1	58.7	-335.3	340.4	0.00	0.00	0.00
1,700.0	91.00	279.93	1,343.3	75.9	-433.8	440.4	0.00	0.00	0.00
1,800.0	91.00	279.93	1,341.6	93.2	-532.3	540.3	0.00	0.00	0.00
1,900.0	91.00	279.93	1,339.9	110.4	-630.7	640.3	0.00	0.00	0.00
2,000.0	91.00	279.93	1,338.1	127.7	-729.2	740.3	0.00	0.00	0.00
2,100.0	91.00	279.93	1,336.4	144.9	-827.7	840.3	0.00	0.00	0.00
2,200.0	91.00	279.93	1,334.6	162.1	-926.2	940.3	0.00	0.00	0.00
2,300.0	91.00	279.93	1,332.9	179.4	-1,024.7	1,040.3	0.00	0.00	0.00
2,400.0	91.00	279.93	1,331.1	196.6	-1,123.2	1,140.3	0.00	0.00	0.00
2,500.0	91.00	279.93	1,329.4	213.9	-1,221.7	1,240.2	0.00	0.00	0.00
2,600.0	91.00	279.93	1,327.6	231.1	-1,320.1	1,340.2	0.00	0.00	0.00
2,700.0	91.00	279.93	1,325.9	248.4	-1,418.6	1,440.2	0.00	0.00	0.00
2,800.0	91.00	279.93	1,324.1	265.6	-1,517.1	1,540.2	0.00	0.00	0.00
2,900.0	91.00	279.93	1,322.4	282.8	-1,615.6	1,640.2	0.00	0.00	0.00
3,000.0	91.00	279.93	1,320.7	300.1	-1,714.1	1,740.2	0.00	0.00	0.00
3,100.0	91.00	279.93	1,318.9	317.3	-1,812.6	1,840.2	0.00	0.00	0.00
3,200.0	91.00	279.93	1,317.2	334.6	-1,911.1	1,940.1	0.00	0.00	0.00
3,300.0	91.00	279.93	1,315.4	351.8	-2,009.6	2,040.1	0.00	0.00	0.00
3,392.9	91.00	279.93	1,313.8	367.8	-2,101.0	2,133.0	0.00	0.00	0.00
Kenji #1 Lateral #1 West HL - Kenji #1 Lateral #1 BHL - Kenji #1 Lateral #1 North HL									

Database: EDM 5000.1 Single User Db
Company: McELVAIN Oil & Gas
Project: San Juan Basin (NM West)
Site: SEC 17-T30N-R13W
Well: Kenji #1
Wellbore: Lateral #1
Design: Plan 2 Rev 1

Local Co-ordinate Reference: Well Kenji #1
TVD Reference: DF @ 5489.0ft (12' DF + 5477' GL)
MD Reference: DF @ 5489.0ft (12' DF + 5477' GL)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Design Targets
Target Name

- hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Kenji #1 Lateral #1 W	0.00	360.00	0.0	385.0	-2,121.0	2,117,568.83	2,606,195.59	36° 49' 7.285 N	108° 13' 57.735 W
- plan misses target center by 1314.1ft at 3392.9ft MD (1313.8 TVD, 367.8 N, -2101.0 E)									
- Polygon									
Point 1			0.0	400.0	0.0	2,117,968.80	2,606,195.59		
Point 2			0.0	-400.0	0.0	2,117,168.86	2,606,195.59		
Kenji #1 Lateral #1 Nc	0.00	360.00	0.0	386.0	-2,121.0	2,117,569.83	2,606,195.59	36° 49' 7.295 N	108° 13' 57.735 W
- plan misses target center by 1314.1ft at 3392.9ft MD (1313.8 TVD, 367.8 N, -2101.0 E)									
- Polygon									
Point 1			0.0	0.0	400.0	2,117,569.83	2,606,595.56		
Point 2			0.0	0.0	-400.0	2,117,569.83	2,605,795.62		
Kenji #1 Lateral #1 BH	0.00	360.00	1,313.8	368.0	-2,101.0	2,117,551.83	2,606,215.59	36° 49' 7.118 N	108° 13' 57.488 W
- plan misses target center by 0.2ft at 3392.9ft MD (1313.8 TVD, 367.8 N, -2101.0 E)									
- Point									
Kenji #1 Lateral #1 LP	0.00	360.00	1,347.4	35.9	-205.1	2,117,219.76	2,608,111.38	36° 49' 3.912 N	108° 13' 34.155 W
- plan hits target center									
- Point									

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
1,403.5	1,338.5	Fruitland Coal Top		-1.00	278.87



Scientific Drilling
Directional Drilling Operations

McELVAIN Oil & Gas

San Juan Basin (NM West)

SEC 17-T30N-R13W

Kenji #1

Lateral #2

Plan: Plan #4

Standard Planning Report

03 August, 2011


McElvain Oil & Gas Properties, Inc.





Project: San Juan Basin (NM West)
 Site: SEC 17-T30N-R13W
 Well: Kenji #1
 Wellbore: Lateral #2
 Design: Plan #4



WELL DETAILS: Kenji #1

Ground Level: 5477.0
 Northing: 2117183.86 Easting: 2608316.44 Latitude: 36° 49' 3.565 N Longitude: 108° 13' 31.631 W

WELLBORE TARGET DETAILS (LAT/LONG)

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
Kenji #1 Lateral #2 East HL	0.0	-895.0	1049.0	36° 48' 54.758 N	108° 13' 18.686 W	Polygon
Kenji #1 Lateral #2 South HL	0.0	-918.4	1049.0	36° 48' 54.527 N	108° 13' 18.684 W	Polygon
Kenji #1 Lateral #2 LP	1353.3	-164.2	187.0	36° 49' 1.950 N	108° 13' 29.322 W	Point
Kenji #1 Lateral #2 BHL	1363.9	-895.1	1019.9	36° 48' 54.756 N	108° 13' 19.043 W	Point

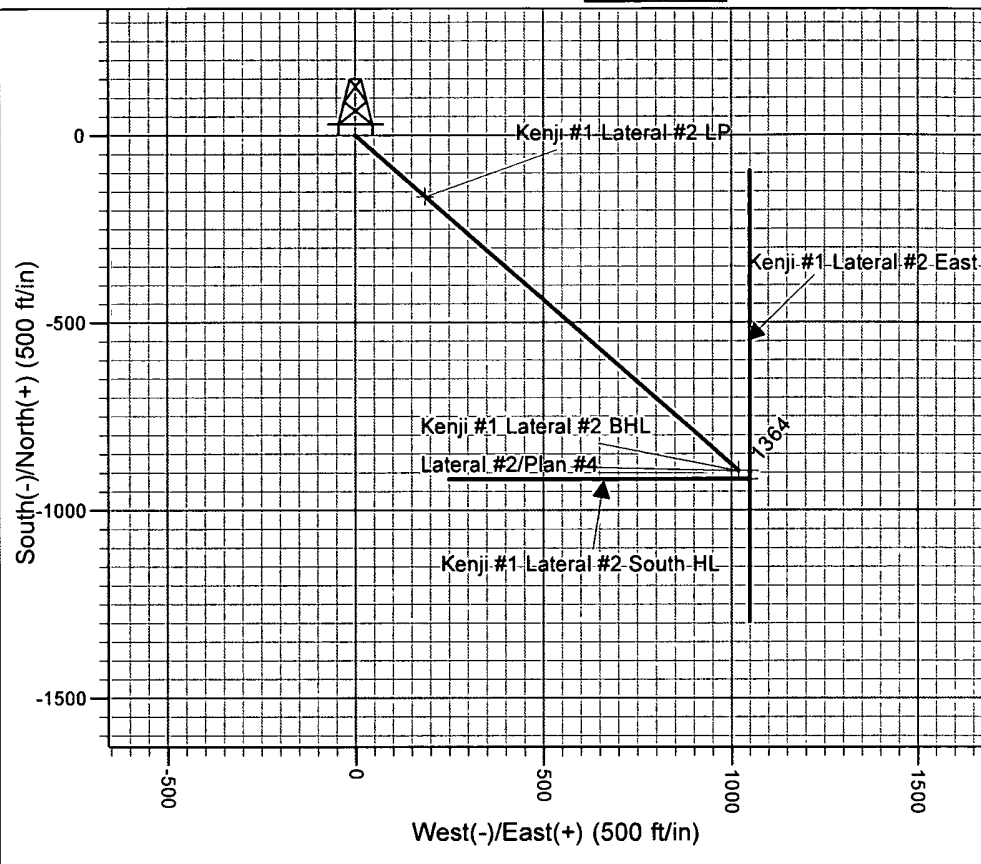
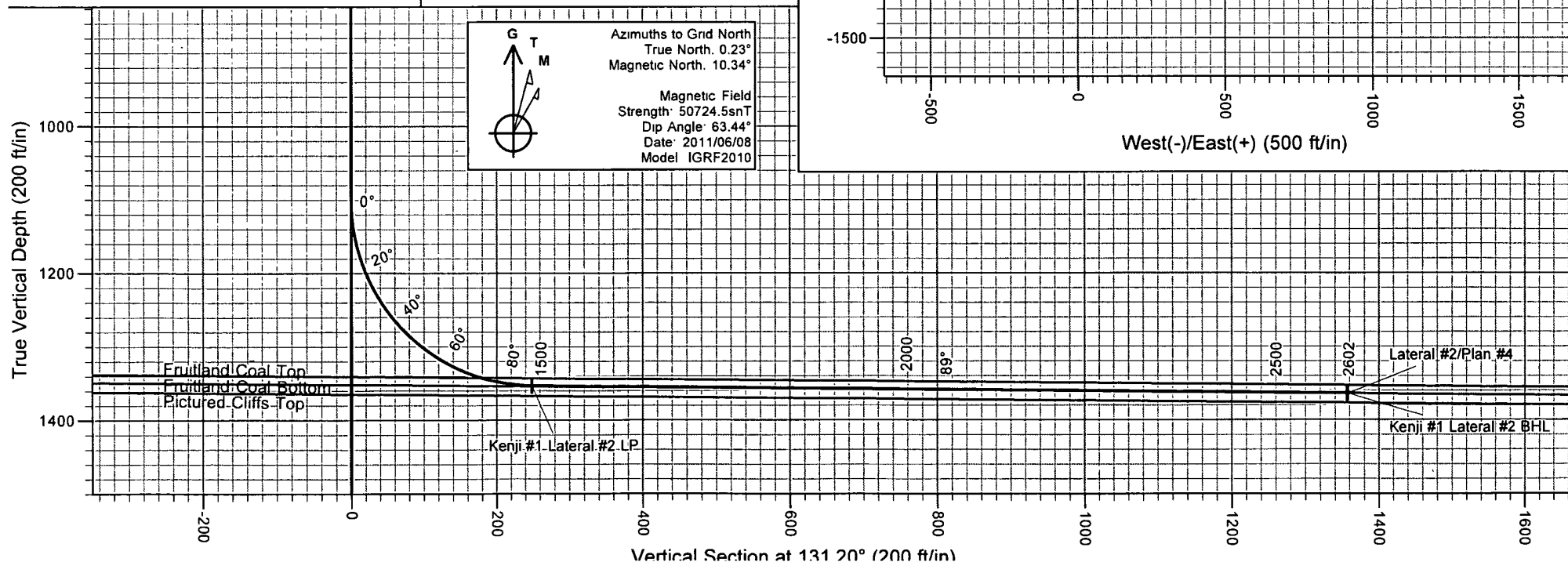
SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	1102.0	0.00	0.00	1102.0	0.0	0.0	0.00	0.00	0.0	
2	1494.3	89.45	131.27	1353.3	-164.2	187.0	22.80	131.27	248.9	Kenji #1 Lateral #2 LP
3	2602.5	89.45	131.27	1364.0	-895.1	1019.9	0.00	0.00	1357.0	Kenji #1 Lateral #2 BHL

REFERENCE INFORMATION

Co-ordinate (N/E) Reference: Well Kenji #1, Grid North
 Vertical (TVD) Reference: DF @ 5489.0ft (12' DF + 5477' GL)
 Section (VS) Reference: Slot - (0.0N, 0.0E)
 Measured Depth Reference: DF @ 5489.0ft (12' DF + 5477' GL)
 Calculation Method: Minimum Curvature

PROJECT DETAILS: San Juan Basin (NM West)
 Geodetic System: US State Plane 1983
 Datum: North American Datum 1983
 Ellipsoid: GRS 1980
 Zone: New Mexico Western Zone
 System Datum: Mean Sea Level



Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Kenji #1
Company:	McELVAIN Oil & Gas	TVD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Project:	San Juan Basin (NM West)	MD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Site:	SEC 17-T30N-R13W	North Reference:	Grid
Well:	Kenji #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #2		
Design:	Plan #4		

Project	San Juan Basin (NM West), San Juan County NM		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		Using Well Reference Point
Map Zone:	New Mexico Western Zone		Using geodetic scale factor

Site	SEC 17-T30N-R13W		
Site Position:		Northing:	2,117,183.86 usft
From:	Lat/Long	Easting:	2,608,316.44 usft
Position Uncertainty:	15.0 ft	Slot Radius:	6-1/8 "
		Latitude:	36° 49' 3.565 N
		Longitude:	108° 13' 31.631 W
		Grid Convergence:	-0.24 °

Well	Kenji #1, FC Re-entry		
Well Position	+N/-S	0.0 ft	Northing:
	+E/-W	0.0 ft	Easting:
Position Uncertainty	3.5 ft	Wellhead Elevation:	
		Latitude:	36° 49' 3.565 N
		Longitude:	108° 13' 31.631 W
		Ground Level:	5,477.0 ft

Wellbore	Lateral #2		
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Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2010	06/08/11	10.10	63.44	50,725

Design	Plan #4		
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Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	1,102.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.0	0.0	0.0	131.20

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
1,102.0	0.00	0.00	1,102.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,494.3	89.45	131.27	1,353.3	-164.2	187.0	22.80	22.80	33.46	131.27	Kenji #1 Lateral #2
2,602.5	89.45	131.27	1,364.0	-895.1	1,019.9	0.00	0.00	0.00	0.00	Kenji #1 Lateral #2

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Kenji #1
Company:	McELVAIN Oil & Gas	TVD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Project:	San Juan Basin (NM West)	MD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Site:	SEC 17-T30N-R13W	North Reference:	Grid
Well:	Kenji #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #2		
Design:	Plan #4		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
1,102.0	0.00	0.00	1,102.0	0.0	0.0	0.0	0.00	0.00	0.00
1,125.0	5.24	131.27	1,125.0	-0.7	0.8	1.1	22.80	22.80	0.00
1,150.0	10.94	131.27	1,149.7	-3.0	3.4	4.6	22.80	22.80	0.00
1,175.0	16.64	131.27	1,174.0	-6.9	7.9	10.5	22.80	22.80	0.00
1,200.0	22.34	131.27	1,197.5	-12.4	14.2	18.9	22.80	22.80	0.00
1,225.0	28.04	131.27	1,220.1	-19.5	22.2	29.5	22.80	22.80	0.00
1,250.0	33.74	131.27	1,241.6	-27.9	31.8	42.3	22.80	22.80	0.00
1,275.0	39.44	131.27	1,261.7	-37.8	43.0	57.2	22.80	22.80	0.00
1,300.0	45.14	131.27	1,280.1	-48.8	55.7	74.1	22.80	22.80	0.00
1,325.0	50.84	131.27	1,296.9	-61.1	69.6	92.6	22.80	22.80	0.00
1,350.0	56.54	131.27	1,311.7	-74.4	84.7	112.8	22.80	22.80	0.00
1,375.0	62.24	131.27	1,324.4	-88.6	100.9	134.3	22.80	22.80	0.00
1,400.0	67.94	131.27	1,334.9	-103.5	118.0	156.9	22.80	22.80	0.00
1,423.1	73.22	131.27	1,342.6	-117.9	134.3	178.7	22.80	22.80	0.00
Fruitland Coal Top									
1,425.0	73.64	131.27	1,343.1	-119.1	135.7	180.5	22.80	22.80	0.00
1,450.0	79.34	131.27	1,349.0	-135.1	154.0	204.8	22.80	22.80	0.00
1,475.0	85.04	131.27	1,352.4	-151.4	172.6	229.6	22.80	22.80	0.00
1,494.3	89.45	131.27	1,353.3	-164.2	187.0	248.9	22.80	22.80	0.00
Kenji #1 Lateral #2 LP									
1,500.0	89.45	131.27	1,353.3	-167.9	191.3	254.6	0.00	0.00	0.00
1,600.0	89.45	131.27	1,354.3	-233.9	266.5	354.6	0.00	0.00	0.00
1,700.0	89.45	131.27	1,355.3	-299.8	341.6	454.6	0.00	0.00	0.00
1,800.0	89.45	131.27	1,356.2	-365.8	416.8	554.5	0.00	0.00	0.00
1,900.0	89.45	131.27	1,357.2	-431.7	492.0	654.5	0.00	0.00	0.00
2,000.0	89.45	131.27	1,358.2	-497.7	567.1	754.5	0.00	0.00	0.00
2,100.0	89.45	131.27	1,359.1	-563.7	642.3	854.5	0.00	0.00	0.00
2,200.0	89.45	131.27	1,360.1	-629.6	717.4	954.5	0.00	0.00	0.00
2,300.0	89.45	131.27	1,361.1	-695.6	792.6	1,054.5	0.00	0.00	0.00
2,400.0	89.45	131.27	1,362.1	-761.5	867.7	1,154.5	0.00	0.00	0.00
2,500.0	89.45	131.27	1,363.0	-827.5	942.9	1,254.5	0.00	0.00	0.00
2,602.5	89.45	131.27	1,364.0	-895.1	1,019.9	1,357.0	0.00	0.00	0.00
Kenji #1 Lateral #2 East HL - Kenji #1 Lateral #2 BHL - Kenji #1 Lateral #2 South HL									

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well Kenji #1
Company:	McELVAIN Oil & Gas	TVD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Project:	San Juan Basin (NM West)	MD Reference:	DF @ 5489.0ft (12' DF + 5477' GL)
Site:	SEC 17-T30N-R13W	North Reference:	Grid
Well:	Kenji #1	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #2		
Design:	Plan #4		

Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)		
- Shape									
Kenji #1 Lateral #2 Ea	0.00	360.00	0.0	-895.0	1,049.0	2,116,288.92	2,609,365.37	36° 48' 54.758 N	108° 13' 18.686 W
- plan misses target center by 1364.3ft at 2602.5ft MD (1364.0 TVD, -895.1 N, 1019.9 E)									
- Polygon									
Point 1			0.0	800.0	0.0	2,117,088.86	2,609,365.37		
Point 2			0.0	-400.0	0.0	2,115,888.95	2,609,365.37		
Kenji #1 Lateral #2 Sc	0.00	360.00	0.0	-918.4	1,049.0	2,116,265.55	2,609,365.37	36° 48' 54.527 N	108° 13' 18.684 W
- plan misses target center by 1364.5ft at 2602.5ft MD (1364.0 TVD, -895.1 N, 1019.9 E)									
- Polygon									
Point 1			0.0	0.0	-800.0	2,116,265.55	2,608,565.43		
Point 2			0.0	0.0	0.0	2,116,265.55	2,609,365.37		
Kenji #1 Lateral #2 LP	0.00	360.00	1,353.3	-164.2	187.0	2,117,019.71	2,608,503.48	36° 49' 1.950 N	108° 13' 29.322 W
- plan hits target center									
- Point									
Kenji #1 Lateral #2 Bf	0.00	360.00	1,363.9	-895.1	1,019.9	2,116,288.84	2,609,336.30	36° 48' 54.756 N	108° 13' 19.043 W
- plan misses target center by 0.1ft at 2602.5ft MD (1364.0 TVD, -895.1 N, 1019.9 E)									
- Point									

Formations						
Measured Depth	Vertical Depth	Name	Lithology	Dip	Dip Direction	
(ft)	(ft)			(°)	(°)	
1,423.1	1,342.6	Fruitland Coal Top		-1.00	252.00	