

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

RCVD FEB 18 '11  
OIL CONS. DIV.

DIST. 3

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

<sup>1</sup> Operator Name and Address McElvain Oil & Gas Properties, Inc. 1050 17 <sup>th</sup> Street, Suite 2500 Denver, Co. 80265-1801		<sup>2</sup> OGRID Number 22044
<sup>3</sup> Property Code 34986	<sup>5</sup> Property Name Ruby	<sup>3</sup> API Number 30 - 045 - 33266
<sup>9</sup> Proposed Pool 1 Fulcher Kutz Pictured Cliffs		<sup>10</sup> Proposed Pool 2 Basin Fruitland Coal

<sup>7</sup> Surface Location

UL or lot no. L	Section 03	Township 29N	Range 13W	Lot Idn	Feet from the 1,755	North/South line South	Feet from the 860	East/West line West	County San Juan
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<sup>8</sup> 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
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Additional Well Information

<sup>11</sup> Work Type Code A	<sup>12</sup> Well Type Code M	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 5,498'
<sup>16</sup> Multiple Y	<sup>17</sup> Proposed Depth	<sup>18</sup> Formation Fruitland Coal	<sup>19</sup> Contractor Professional WS	<sup>20</sup> Spud Date

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

<sup>22</sup> 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 add the Basin Fruitland Coal Pool by the recompletion procedure and C-102 attached.

*DO NOT Down Hole commingle until DHC order is issued*

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

Signature:

*[Signature]*

Printed name: Art Merrick

Title: District Engineer

E-mail Address: ArtM@mcelvain.com

Date: 02/10/2011

Phone: 505-327-2679, X502

OIL CONSERVATION DIVISION

Approved by:

*[Signature]* 2-21-2011

Title: SUPERVISOR DISTRICT # 3

Approval Date:

FEB 23 2011

Expiration Date:

FEB 23 2012

Conditions of Approval Attached ☐

HOLD C101 FOR DHC order  
HOLD C101 FOR DHC order

FEB 23 2011

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State of New Mexico  
Energy, Minerals & Natural Resources Department

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

Form C-102  
Revised October 12, 2005  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-045-33264</b>	<sup>2</sup> Pool Code <b>71629</b>	<sup>3</sup> Pool Name <b>BASIN FRUITLAND COAL</b>
<sup>4</sup> Property Code <b>34984</b>	<sup>5</sup> Property Name <b>RUBY</b>	<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> GRID No. <b>22044</b>	<sup>8</sup> Operator Name <b>McELVAIN OIL &amp; GAS PROPERTIES</b>	<sup>9</sup> Elevation <b>5498'</b>

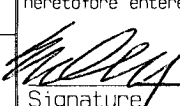

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	29N	13W		1755	SOUTH	860	WEST	SAN JUAN

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres <b>160.0 Acres (SW/4) - PC</b> <b>320.0 Acres (S/2) - FC</b>					<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 1329.90' LOT 4 1320.00' 2640.00' 1755' 860' LAT: 36.75321°N LONG: 108.19926°W DATUM: NAD1983	5280.00' LOT 3 LOT 2 LOT 1 1327.92' 1320.00' 2640.00' 5270.76'	<sup>17</sup> 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 Date <b>12/10/2011</b> <b>W.A. Merrick</b> Printed Name
<b>3</b> LEASE FEE LEASE FEE		<sup>18</sup> 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. Date Revised: FEBRUARY 10, 2011 Date of Survey: JULY 1, 2005 Signature and Seal of Professional Surveyor  <b>JASON C. EDWARDS</b> Certificate Number 15269

## **Ruby #1 Recompletion Procedure**

**San Juan, New Mexico  
NWSW "L" Sec 03, T29N, R13W  
1,755' FSL & 860' FWL  
API: 30-045-33266  
Spud Date: 28 Jan 2008  
Completion Date: 23 Apr 2008  
First Sales: 16 Jun 2008**

### **Objective**

Recomplete well in Fruitland Coal and commingle Fruitland Coal production with existing Pictured Cliffs production.

### **Well Data**

<b>API Number</b>	30-045-33266
<b>Zone(s)</b>	Pictured Cliffs
<b>KB; GL</b>	5,506'; 5,498'
<b>TD</b>	1,698' MD
<b>PBTD</b>	1,641' MD (CBL PBTD)

### **Casing**

<b>Surface</b>	13 jts 8 5/8", 24#, J-55, ST&C @ 514	1,370 psi collapse 2,950 psi burst	Cemented w/ 365 sx class standard, 15.6 ppg, 1.18 cu ft/sx, w/ ¼ lb/sx ploy flake, 2% CaCl <sub>2</sub> . Circulated 20 bbls cement to surface.
<b>Production</b>	41 jts 5 ½", 15.5#, J-55 @ 1,689'	4,040 psi collapse 4,810 psi burst 80% = 3,848 psi	Cemented w/ 150 sxs 65/35 V POZ 12.4 ppg, 1.89 cu ft/sx, 9.93 gps water w/ 6% gel, 5#/sx gilsonite, 0.125 #/sx poly flake lead; 100 sxs Type V 15.2 ppg, 1.25 cu ft/sx, w/ 2% gel, 5 #/sx gilsonite, 0.125 #/sx poly flake tail. Circulated 2 bbls

### **Existing Perforations**

<b>Pictured Cliffs Perforations</b>	4 SPF, 0.43" EHD, 120° phasing
1,380' – 1,400'	80 holes

**Correlation logs:** BlueJet Cement Bond Log run #1, dated 26 Feb 2008; Halliburton Spectral Density/Dual Spaced Neutron/Deep Resistivity, dated 14 Feb 2008

## Proposed Perforations

Fruitland Coal Perforations	4 SPF, 0.43" EHD, 120° phasing
1,113 – 1,116'; 1,072' – 1,074' (5')	20 holes
1,296 – 1,303' (7')	28 holes
1,356' – 1,366' (10')	40 holes

## Proposed Procedure

1. Blow down well.
2. MIRU workover rig, and all surface equipment.
3. Unseat pump and POOH w/ rods and pump while laying down. Inspect the pump, seat nipple and rods. Note any scale or paraffin on the rods or equipment. Shop the pump.
4. ND adaptor flange. Release TAC. NU BOP's and test.
5. MU bit and scraper and RIH to bottom and C&C hole clean. POOH to surface while standing back the tubing. Note any scale or paraffin on the tubing.
6. MIRU wireline unit. MU 3-1/8" guns and RIH and correlate on depth. Perforate the Basal Fruitland Coal Stage 1: 1,356 – 1,366' w/ 4 SPF, 0.43", 120° phasing (40 holes). POOH to surface.
7. MU 5-1/2" RBP. RIH and set RBP #1 @ +/- 1,376'. POOH to surface, LD setting tool.
8. *If possible* MU bailer. RIH and dump bail 1 load of sand on RBP @1,376'. POOH and RDMO wireline.
9. RIH with tubing and tension set packer. Set packer at +/- 1,300'. Test annulus to 500 psi.
10. MIRU BJ services. Breakdown and acidize Basal Fruitland Coal Stage 1: 1,356 – 1,366' with 500 gal 15% HCl and 90 ball sealers.
11. Release packer and RIH through perforations. POOH and LD packer.
12. ND BOP's. NU 5K frac valve.
13. RU frac equipment and frac the Basal Fruitland Coal Stage 1: 1,356 – 1,366' per BJ Services recommendation. RDMO frac equipment.
14. Flow back frac load using forced closure techniques on 18/64" choke until well is cleaned up
  - **Note any sand flowback and water volumes per hour and per 24 hour period.**
15. MIRU wireline. MU 5-1/2" RBP. RIH and set RBP #2 @ +/- 1,350' and test to 3,000 psi. POOH to surface, LD setting tool. MU 3-1/8" guns and RIH and correlate on depth. Perforate the Middle Fruitland Coal Stage 2: 1,296 – 1,303' w/ 4 SPF, 0.43", 120° phasing (28 holes). POOH to surface and RDMO wireline.
16. RIH with tubing and tension set packer. Set packer at +/- 1,250'. Test annulus to 500 psi.
17. MIRU BJ services. Breakdown and acidize Middle Fruitland Coal Stage 2: 1,296 – 1,303' with 500 gal 15% HCl and 50 ball sealers.
18. Release packer and RIH through perforations. POOH and LD packer.
19. ND BOP's. NU 5K frac valve.
20. RU frac equipment and frac the Middle Fruitland Coal Stage 2: 1,296 – 1,303' per BJ Services recommendation. RDMO frac equipment.

## Ruby #1 Fruitland Coal Recompletion Procedure

21. Flow back frac load using forced closure techniques on 18/64" choke until well is cleaned up

- **Note any sand flowback and water volumes per hour and per 24 hour period.**

22. MIRU wireline. MU 5-1/2" RBP. RIH and set RBP #3 @ +/- 1,150' and test to 3,000 psi. POOH to surface, LD setting tool. MU 3-1/8" guns and RIH and correlate on depth. Perforate the Upper Fruitland Coal Stage 3: 1,072' – 1,074' and 1,113' – 1,116' w/ 4 SPF, 0.43", 120° phasing (20 holes). POOH to surface and RDMO wireline.

23. RIH with tubing and tension set packer. Set packer at +/- 1,000'. Test annulus to 500 psi.

24. MIRU BJ services. Breakdown and acidize Upper Fruitland Coal Stage 3: 1,072' – 1,074' and 1,113' – 1,116' with 250 gal 15% HCl and 40 ball sealers.

25. Release packer and RIH through perforations. POOH and LD packer.

26. ND BOP's. NU 5K frac valve.

27. RU frac equipment and frac the Upper Fruitland Coal Stage 3: 1,072' – 1,074' and 1,113' – 1,116' per BJ Services recommendation. RDMO frac equipment.

28. Flow back frac load using forced closure techniques on 18/64" choke until well is cleaned up

- **Note any sand flowback and water volumes per hour and per 24 hour period.**

29. RIH with tubing and bailer. Clean out to RBP #3 @ 1,150' and POOH.

30. RIH with tubing and retrieving head and retrieve RBP #3 @ 1,150' and POOH.

31. RIH with tubing and retrieving head and retrieve RBP #2 @ 1,350' and POOH.

32. RIH with tubing and retrieving head and retrieve RBP #2 @ 1,350' and POOH.

33. RIH with tubing and bailer. Clean out to RBP #1 @ 1,376' and POOH.

34. RIH with tubing and retrieving head and retrieve RBP #1 @ 1,376' and POOH.

35. RIH with tubing and bailer and clean out to PBTD at 1,641' and POOH.

36. RIH with MA, perforated sub, and tubing.

37. Land EOT at ±1,500'.

38. RIH with rods and pump.

39. RDMO workover rig and all equipment.

40. Turn well over to production.

McElvain Oil & Gas Properties, Inc.

Well: Ruby #1

Field: Fulcher Kutz Pictured Cliffs

County: San Juan

Location: 1,755' FSL & 860' FWL, "L" NWSW Sec. 3, T29N-R13W

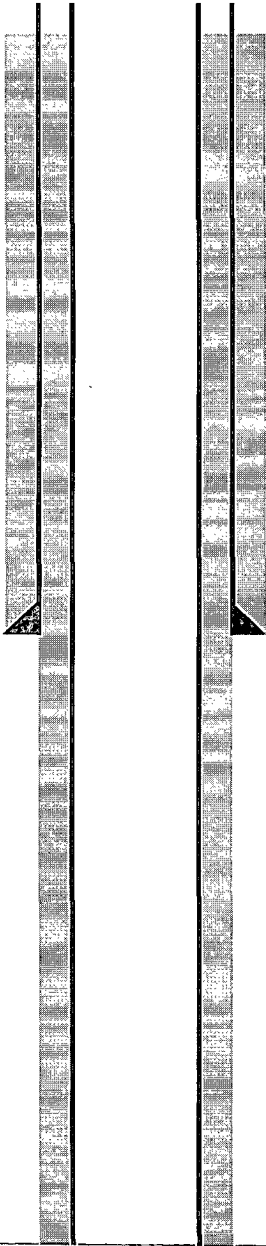
API: 30-045-33266

GL: 5,498'

KB: 5,506'

Lat: 36.7567627N

Lon: 108.1962983W



13 jts 8-5/8", 24.0# J-55 Landed at 514' (02/10/08)  
M&P 365 standard + 2% CaCl2, 15.6 ppg,  $\gamma = 1.18$  ft<sup>3</sup>/sk, H2O: 5.2 gps  
20 bbls circulated to pit

KRT-FRT: 793'