

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM98693 6. IF INDIAN, ALLOTTEE OR TRIBE NAME 7. UNIT AGREEMENT NAME NM - 100213 8. FARM OR LEASE NAME, WELL NO. 6660 Elk Com #1 9. API WELL NO. 30-039-25874 10. FIELD AND POOL, OR WILDCAT Blanco Mesaverde 72319 11. SEC., T., R., M., OR BLK AND SURVEY OR AREA Section 3 T25N, R2W, NMPM
2. NAME OF OPERATOR McELVAIN OIL & GAS PROPERTIES, INC. 22044 3. ADDRESS AND TELEPHONE NO. P.O. Box 2148 Santa Fe, New Mexico 87504 (505) 982-1935 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1080' FNL & 1500' FWL Section 3, T25N, R2W, NMPM At proposed prod. zone SAME 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9.0 miles north of Lindrith, New Mexico		12. COUNTY Rio Arriba 13. STATE New Mexico
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 180' 16. NO. OF ACRES IN LEASE 120.97 17. NO. OF ACRES ASSIGNED TO THIS WELL 320.97	18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA 19. PROPOSED DEPTH 6393' 20. ROTARY OR CABLE TOOLS ROTARY	21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7613' GL 22. APPROX. DATE WORK WILL START* January 1998

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8" J/K-55	36	300'	165 sxs Class G..2%CaCl..1/4#/sk celloflake
8 3/4"	7" J/K-55	20	3973'	450 sxs 65/35 Class G Poz..100 sxs Class G
6 1/4"	4 1/2" J/K-55	10.5	6393'	175 sxs 65/35 Class G Poz..100 sxs Class G

McElvain Oil & Gas Properties, Inc. proposes to spud in the San Jose Foration and will drill a 12 1/4" hole to 300 feet. 9 5/8" casing will be run and cemented to surface. WOC 12 hours. Test casing and BOPE to 600 psig for 15 minutes. Drill a 8 3/4" hole to 3973' with fresh water mud. No abnormal pressures or poisonous gases are anticipated. Adequate weight material will be on location to control any unforeseen flows. Log well from TD to the base of the surface casing. Run 7" intermediate casing and cement to surface. WOC for 12 hours. Pressure test casing and BOPE to 1500 psig for 15 minutes. Drill a 6 1/4" hole with air & mist to 6393'. Log well from TD to the base of the intermediate casing. Run a 4 1/2" liner from 3900' to TD and cement in place. Move out drilling rig and move in completion unit. Test casing to 2500 psig. Run cased hole correlation logs. Perforate the Mesaverde formation and stimulate with a fresh water based system.

Surface ownership is Federal (BLM).

Access road right of way included with this application.

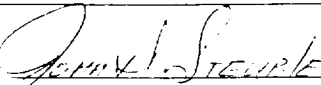
RECEIVED
MAY 29 1998

OIL CON. DIV.
DIST. 3

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured true vertical depths. Give blowout preventer program, if any.

24.

SIGNED



TITLE AGENT

DATE December 1, 1997

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

(Original Signed) HECTOR A. VILLALOBOS

TITLE

Asst. Field Manager

DATE

MAY 27 1998



District I
IN) Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APL Number 30-039-25874		Pool Code 72319	Pool Name Blanco Mesaverde
Property Code 6660	Property Name ELK COM		Well Number 1
OGRID No. 22044	Operator Name Mc ELVAIN OIL AND GAS PROPERTIES		Elevation 7613

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
C	3	25N	2W		1080	NORTH	1500	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

Dedicated Acres W/ 320.97	Joint or Infill Y	Consolidation Code	Order No.
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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

<div>16</div> <div>1080'</div> <div>1500'</div> <div>NM98693</div> <div>NM97826</div> <div>EXISTING WELL</div> <div>NM01397</div>	<div>RECEIVED</div> <div>MAY 29 1998</div> <div>OIL CON. DIV.</div> <div>DIST. 3</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div> Signature</div> <div>JOHN D. STEUBLE Printed Name</div> <div>AGENT Title</div> <div>12/2/97 Date</div>	
		<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>October 8, 1997 Date of Survey</div> <div> Signature and Seal of Professional Surveyor</div> <div> Certificate Number</div>	

30X60 MINUTE SERIES (TOPOGRAPHIC)

31

250 000 FEET (CENTRAL)

R2W

32

107°00' 36°30'

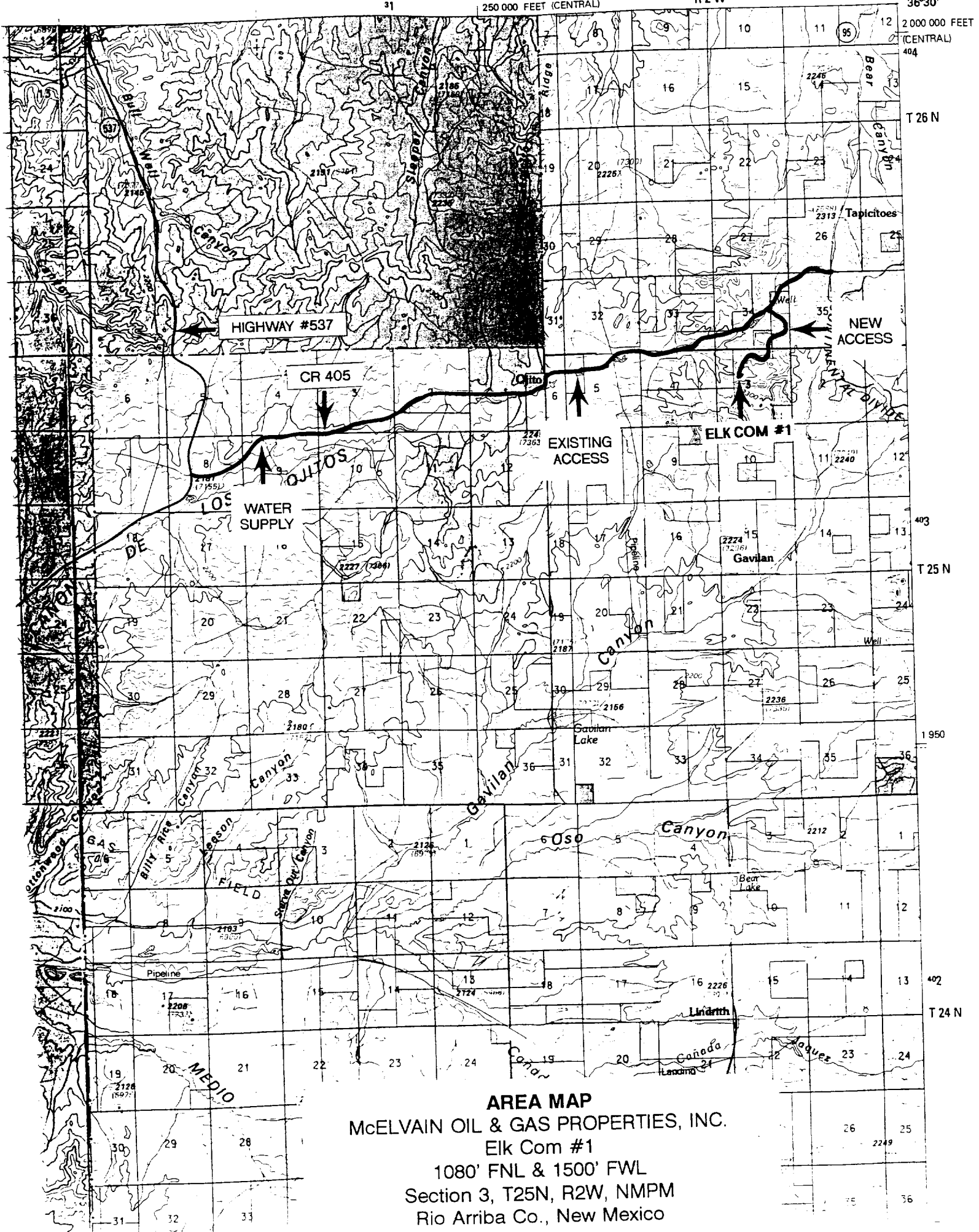
2 000 000 FEET
(CENTRAL)
404

T 26 N

T 25 N

1 950

T 24 N



AREA MAP

McELVAIN OIL & GAS PROPERTIES, INC.

Elk Com #1

1080' FNL & 1500' FWL

Section 3, T25N, R2W, NMPM

Rio Arriba Co., New Mexico