Form 3160-3

SUBMIT IN TRIPLICATE*

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: ~~NM0186~~ NM 01806

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME: 26704

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ OTHER — SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. FARM OR LEASE NAME, WELL NO.: Bear Com 28 No. 1

2. NAME OF OPERATOR: *McElvain Oil & Gas Properties, Inc.*

9. API WELL NO.: 30-039-26519

3. ADDRESS AND TELEPHONE NO.: 1050 17th Street, Suite 1800, Denver, CO, 80265 (303)893-0933

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 885 ' FSL - 850 ' FWL, Section 28, T26N, R2W, NMPM
At proposed prod. zone: same

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA: M Sec. 28, T26N, R2W, NMPM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 9 miles northeast of Lindrith, New Mexico

12. COUNTY: Rio Arriba

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
850 '	160	320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
15 '	8424 '	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 7483 ' GL

22. APPROX. DATE WORK WILL START*: September 15, 2000

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12.250"	9.625", J-55	36	500'	377.60 cf - circ. to surface
8.750"	5.500", J-55	15.5	6200'	Cmt. in 3 stages w/ 2865.75 cf to circ. to
7.875"	5.50",J-55/N-80	15.5 & 17	8424'	surface. DV tools @ 5857' & 3414'

McElvain Oil & Gas Properties Inc. proposes to spud in the San Jose formation. Drill surface hole to 500' with a fresh water base mud. Run and cement surface casing with sufficient volume to circulate to surface using 100 % excess. WOC 12 hours. Pressure test surface casing and BOPE to 600 psi for 15 minutes. Drill 8 3/4" hole approximately 43' into Upper 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 open hole logs from TD to surface casing shoe. Run and cement production casing in three stages with sufficient volume to circulate to surface. Move out rotary rig. Move in completion unit. Run cased hole correlation logs. Test casing to 3500 psi for 15 minutes. Perforate select Dakota intervals and stimulate using a 2 % KCl based gel fluid. If open hole logs indicate the Dakota is non - productive, the Gallup or Mesa Verde will be completed.

Surface is Fee, Huffman.

SEP 2000 RECEIVED OIL CON. DIV. DIST. 3

070 FARMINGTON NM

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 R. E. Fielder TITLE Agent DATE August 24, 2000

(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 S/Sw Anderson TITLE Asst Field Mgr. DATE SEP 28 2000

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

District II
PO Drawer DD, 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

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

Form C-102
Revised February 21, 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

1 API Number	2 Pool Code	3 Pool Name
30-039-26519	71599	BASIN DAKOTA

4 Property Code	5 Property Name	6 Well Number
26704	BEAR COM 28	1

7 OGRID No.	8 Operator Name	9 Elevation
22044	McELVAIN OIL & GAS PROPERTIES	7483'

10 Surface Location

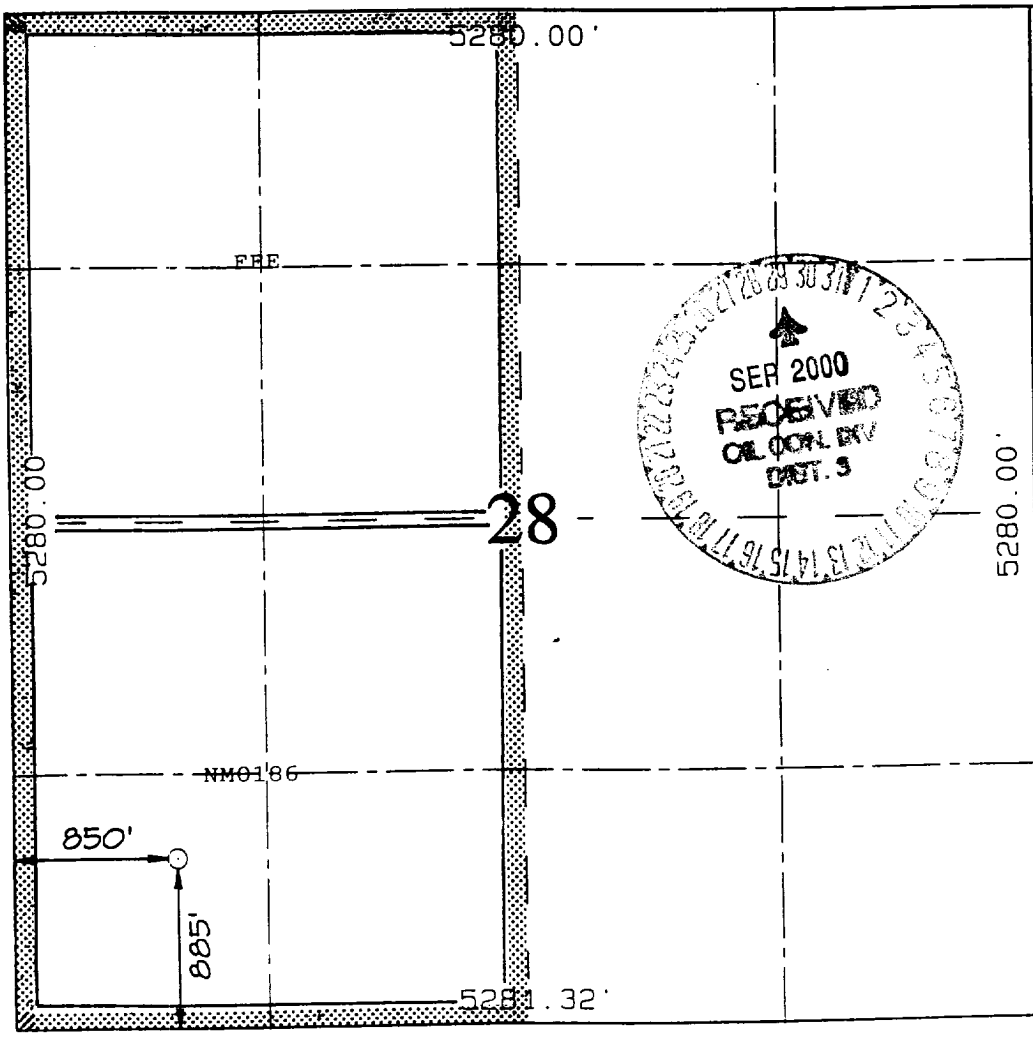
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	26N	2W		885	SOUTH	850	WEST	RIO ARRIBA

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	13 Joint or Infill	14 Consolidation Code	15 Order No.
320	Y	C	

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

R.E. Fielder
Signature

R.E. Fielder
Printed Name

Agent
Title

August 21, 2000
Date

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.

AUGUST 8, 2000
Date of Survey

Signature and Seal of Professional Surveyor

NEALE C. EDWARDS
NEW MEXICO
6857
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number 6857

4. Casing and Cementing Program: - continued

5½" 15.5 and 17# J-55 or K-55 and N-80 production casing will be run from surface to Total Depth with mechanical DV tools installed one hundred feet above the Pt. Lookout and forty to sixty feet above the Ojo Alamo top. This string will be cemented in three stages as follows: Stage One(TD - 5857 '): Minimum of 430 sacks (692.30 cf) 50/50 Class B Poz containing 2.75% gel, 1/4 lb/sk celloflake, 0.2% FLA, and 0.2% Anti foam agent. Stage Two (5857 - 3414 '): Minimum of 350 sacks (878.50 cf) of 9.5 ppg LiteCrete. Stage Three (3414 ' - surface): Minimum of 445 sacks (1294.95 cf) of Class "B" with 3 % metasilicate extender, 1/4 lb/sk celloflake, 2 % $CaCl_2$, 0.2 % Anti foam agent. Slurry volume assumes a 50% excess over gauge hole volume. Cement volume is subject to change after review of open hole caliper log. Minimum clearance between couplings and hole is 0.913 ". Safety factors utilized in the design of this casing string were: burst = 1.1; collapse = 1.125; and tension = 1.8 or 100,000 lb overpull, whichever is greater.

Centralizers: Surface string: 3 - 9⅝" X 12¼" bowspring run in middle of shoe joint and spaced evenly between shoe joint and 100 '. Production casing: 30 - 5 ½ " X 8 ¾ or 7 ⅞ " bowspring across all prospective pay zones and 5 - 5 ½ " X 8¾" turbolizers will be spaced such that a minimum of two are located above and two are located below the Basal Fruitland Coal; a minimum of one turbolizer will be run just below the base and another into the base of the Ojo Alamo.

Float Equipment: Surface string: Cement nose guide shoe and self fill insert float valve. Production string: Cement nose guide shoe, self fill float collar, and two mechanical DV tools with accessories.

Following the completion of the cementing operations, a sundry notice detailing the cement volumes and densities for each job will be submitted.

5. Pressure Control Equipment:

A minimum of a 2M psi BOP well control system will be utilized. BOP's and choke manifold will be installed and pressure tested to a minimum of 600 psig before drilling out from under surface casing and then will be checked daily as to mechanical operation condition. 5 ½ " rams will be installed before running production casing.

A full opening internal blowout preventor or drill pipe safety valve will be on the drill floor at all times and will be capable of fitting all connections.

Vicinity Map
McElvain Oil & Gas Properties, Inc
Bear Com 28 No. 1
885 ' FSL - 850 ' FWL
Section 28, T 26 N, R 2 W, NMPM
Rio Arriba Co., New Mexico