

Submit 1 Copy to Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
October 13, 2009

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-039-23514
1. Type of Well: Oil Well ☐ Gas Well ☒ Other		5. Indicate Type of Lease STATE ☐ FEE ☒
2. Name of Operator McElvain Energy, Inc.		6. State Oil & Gas Lease No. SF-080136
3. Address of Operator 1050 17 th Street, Denver, Co. 80265-2080		7. Lease Name or Unit Agreement Name Salazar Com
4. Well Location Unit Letter <u>K</u> : <u>1800</u> feet from the <u>North</u> line and <u>1010</u> feet from the <u>East</u> line Section <u>22</u> Township <u>25N</u> Range <u>6W</u> NMPM County <u>Rio Arriba</u>		8. Well Number <u>#9</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 6379KB		9. OGRID Number <u>22044</u>
		10. Pool name or Wildcat Otero Chacra/South Blanco Pictured Cliffs

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McElvain Oil & Gas Properties, Inc. (MOG) proposes to produce this well as a downhole commingle Otero Chacra and South Blanco Pictured Cliffs producer upon the removal of an existing packer separating these two zones. Production will be allocated on a percentage basis both zones exhibited stabilized production in 2010 with the Chacra at 4090 (38.5%) and the PC with 6532 MCF (61.5%) See decline curves attached. This proposed commingling will not reduce the total remaining production volume from the pools and will prevent waste and the drilling of unnecessary wells.

Pool #1: Otero Chacra (82329) perms. 3412-3529 Pool #2: South Blanco Pictured Cliff (72439) perms 2577-2680.

Commingling will not result in reduction of the remaining production value.

Ownership in the two pools is identical..

DHC - 3728 AZ

RCVD DEC 3 '12
OIL CONS. DIV.
DIST. 3

Spud Date: 12/27/1984

Rig Release Date:

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

SIGNATURE [Signature] TITLE Eng Tech Manager DATE 11/30/2012

Type or print name Deborah Powell E-mail address: Debbyp@mcelvain.com PHONE: 303-893-0933

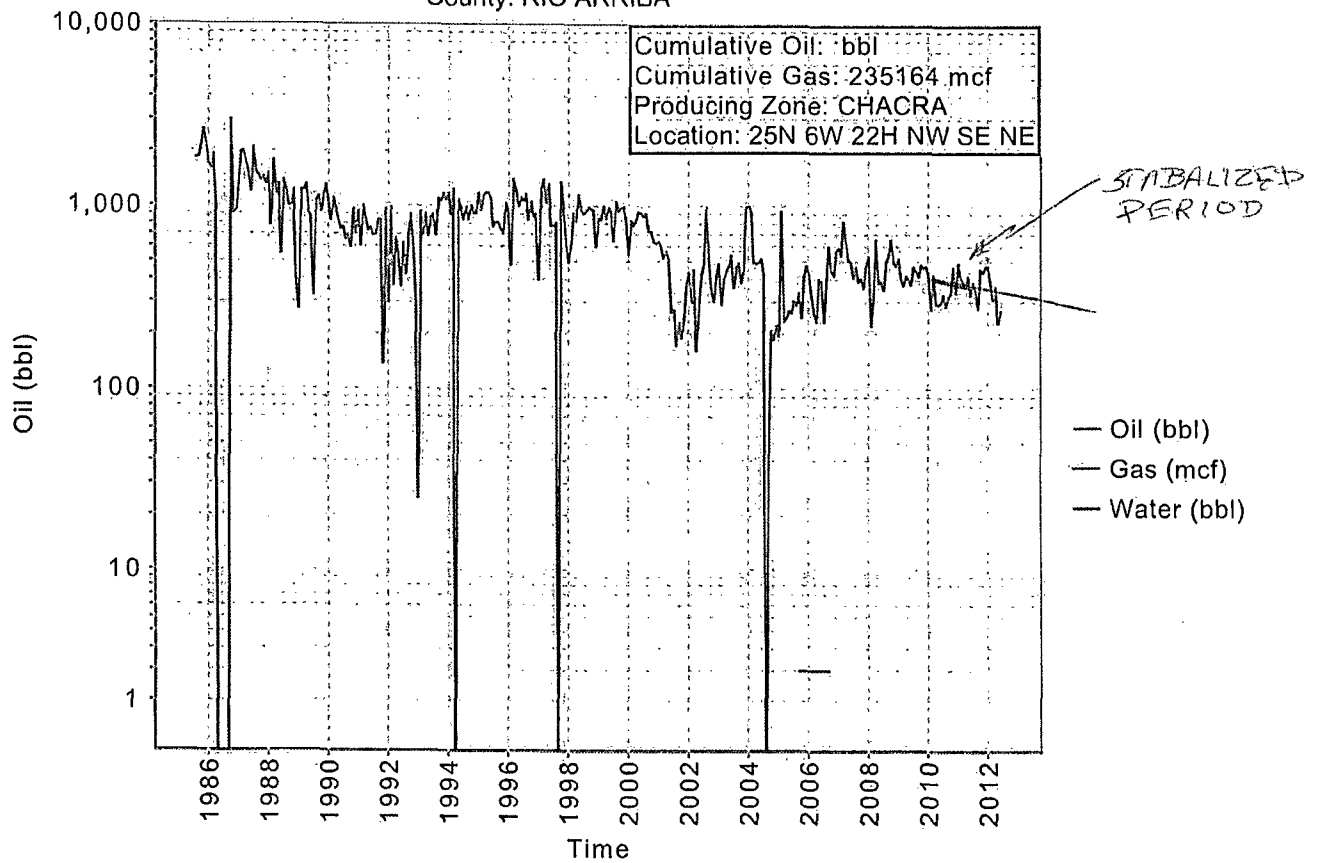
For State Use Only

APPROVED BY: [Signature] TITLE SUPERVISOR DISTRICT #3 DATE DEC 14 2012

Conditions of Approval (if any): Submit Procedure for Approval Prior to Performing Work

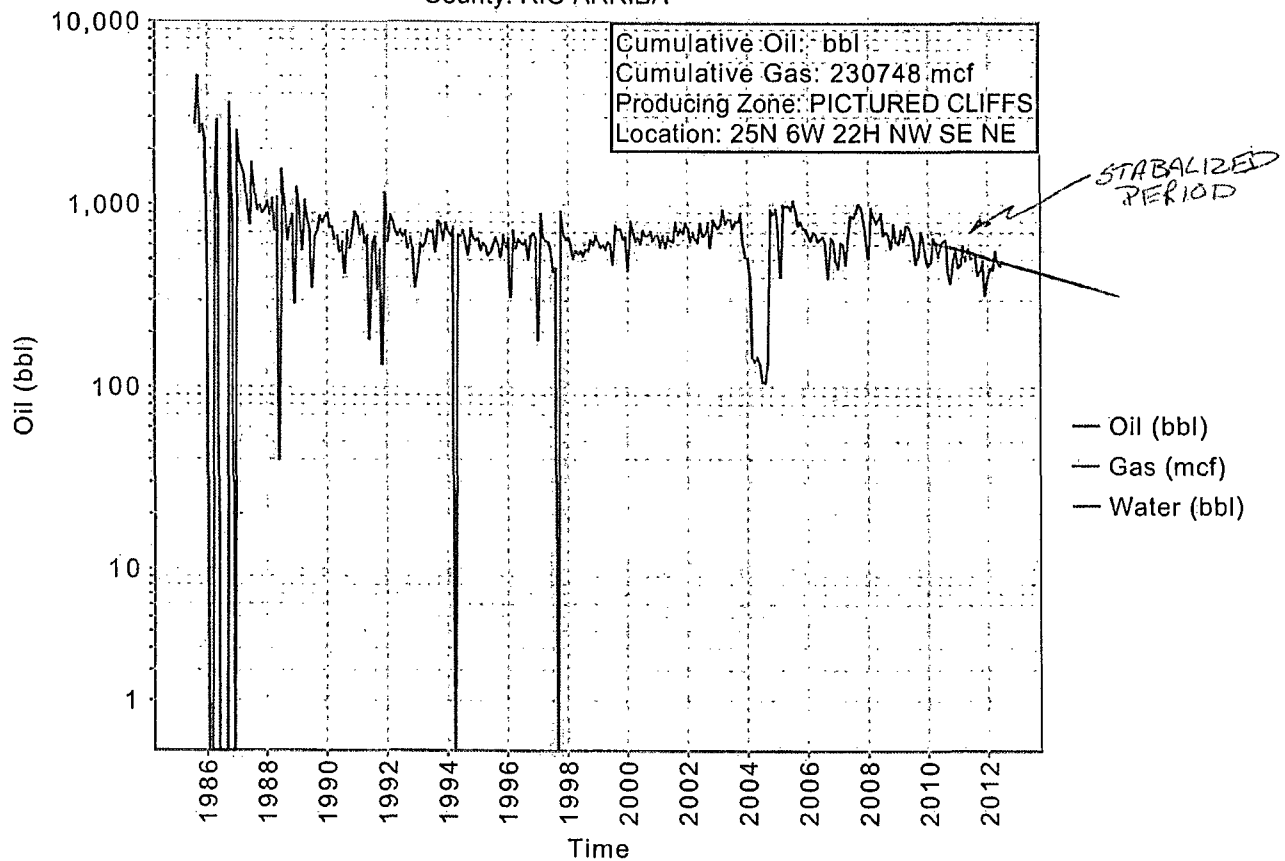
A

Lease Name: SALAZAR
Well Number: 9
API Number: 30039235140000
County: RIO ARRIBA



Create date: Oct 15, 2012 Graph Template: Art Graph

Lease Name: SALAZAR
Well Number: 9
API Number: 30039235140000
County: RIO ARRIBA



Create date: Oct 15, 2012 Graph Template: Art Graph



The Source of Energy Information

Detailed Production Report

Mon Oct 15, 2012

2300430392351482329

County, State: RIO ARRIBA, NEW MEXICO

Lease: SALAZAR Well Number: 9

Operator: MCELVAIN ENERGY (099104)

Status: ACTIVE

Prod ID: 2300430392351482329

Production Thru Date: Jun 30, 2012

Header Block

Data Source:	PI	Completion Date:	Jan 23, 1985
Lease Name:	SALAZAR (020988)	Total Depth:	3,387 FT
Operator:	MCELVAIN ENERGY INCORPORATED	Upper Perforation:	2,810 FT
State:	NEW MEXICO	Lower Perforation:	3,278 FT
County:	RIO ARRIBA	Oil Gravity:	
Primary API:	30039235140000	Gas Gravity:	
Regulatory:		Last Production Date:	Jun 30, 2012
First Production Date:	Aug 01, 1985	Temp Gradient:	1.6 FFT
Field:	OTERO	N Factor:	
Reservoir Name:	CHACRA	Prod Zone Code:	604CHCR
Prod Zone:	CHACRA	GOR:	
Basin Name:	SAN JUAN BASIN (580)	Primary Product:	GAS
Gas Gatherer:		Status:	ACTIVE
Liquid Gatherer:		Data Source:	PI
Location:	22H 25N 6W NW SE NE	Lat/Long Source:	IH
Latitude/Longitude	+36.38771 -107.44856		
Cum Data Source:	PI		
Cum Oil:		Cum Inj Liq:	
Cum Gas:	235,164 MCF	Cum Inj Gas:	
Cum Water:	26 BBL Since SEP 2005	Cum Inj Water:	

Annual Production

Data Source:	PI	Oil BBLS	Gas MCF	Water BBLS
(27 years)				
Beginning Cum:				
1985			10,630	
1986			11,036	
1987			19,051	
1988			13,353	
1989			11,733	
1990			9,899	
1991			9,074	
1992			6,767	
1993			10,140	
1994			10,912	
1995			11,640	
1996			12,096	
1997			10,731	
1998			10,355	
1999			10,977	
2000			9,383	
2001			4,621	
2002			5,142	
2003			5,800	
2004			5,061	

Detailed Production Report

Mon Oct 15, 2012

1985	10,630	
2005	4,213	8
2006	4,705	18
2007	6,117	
2008	5,562	
2009	5,256	
2010	4,090	
2011	4,785	
2012	2,035	
TOTALS	235,164	26

Monthly Production

Data Source: PI

Year	Month	Oil BBLs	Gas MCF	Water BBLs	Cond Yld STB/MMCF	% Water	# of Wells	Days On
1985	AUG		1,826				1	9
1985	SEP		1,842				1	0
1985	OCT		2,134				1	0
1985	NOV		2,634				1	0
1985	DEC		2,194				1	0
Totals 1985			10,630					
1986	JAN		1,708				1	24
1986	FEB		1,610				1	18
1986	MAR		1,910				1	23
1986	APR		990				1	12
1986	MAY		0					0
1986	JUN		0					0
1986	JUL		0					0
1986	AUG		0					0
1986	SEP		0					0
1986	OCT		2,954				1	27
1986	NOV		913				1	12
1986	DEC		951				1	16
Totals 1986			11,036					
1987	JAN		1,400				1	14
1987	FEB		1,964				1	26
1987	MAR		1,988				1	31
1987	APR		1,745				1	30
1987	MAY		1,541				1	31
1987	JUN		1,200				1	20
1987	JUL		2,083				1	31
1987	AUG		1,539				1	17
1987	SEP		1,455				1	16
1987	OCT		1,379				1	21
1987	NOV		1,436				1	28
1987	DEC		1,321				1	24
Totals 1987			19,051					
1988	JAN		1,491				1	25
1988	FEB		784				1	15
1988	MAR		1,775				1	29
1988	APR		1,170				1	25

Detailed Production Report

Mon Oct 15, 2012

2300430392351472439

County, State: RIO ARRIBA, NEW MEXICO

Lease: SALAZAR Well Number: 9

Operator: MCELVAIN ENERGY (099104)

Status: ACTIVE

Prod ID: 2300430392351472439

Production Thru Date: Jun 30, 2012

Header Block

Data Source:	PI	Completion Date:	
Lease Name:	SALAZAR (020988)	Total Depth:	3,387 FT
Operator:	MCELVAIN ENERGY INCORPORATED	Upper Perforation:	2,342 FT
State:	NEW MEXICO	Lower Perforation:	2,444 FT
County:	RIO ARRIBA	Oil Gravity:	
Primary API:	30039235140000	Gas Gravity:	
Regulatory:		Last Production Date:	Jun 30, 2012
First Production Date:	Aug 01, 1985	Temp Gradient:	1.7 FFT
Field:	BLANCO SOUTH	N Factor:	
Reservoir Name:	PICTURED CLIFFS	Prod Zone Code:	604PCCF
Prod Zone:	PICTURED CLIFFS	GOR:	
Basin Name:	SAN JUAN BASIN (580)	Primary Product:	GAS
Gas Gatherer:		Status:	ACTIVE
Liquid Gatherer:		Data Source:	PI
Location:	22H 25N 6W NW SE NE	Lat/Long Source:	IH
Latitude/Longitude	+36.38771 -107.44856		
Cum Data Source:	PI	Cum Inj Liq:	
Cum Oil:		Cum Inj Gas:	
Cum Gas:	230,748 MCF	Cum Inj Water:	
Cum Water:			

Annual Production

Data Source:	PI		
(27 years)		Oil BBLs	Gas MCF
Beginning Cum:			Water BBLs
1985			15,214
1986			8,627
1987			15,787
1988			9,993
1989			9,519
1990			8,251
1991			7,287
1992			7,990
1993			8,021
1994			7,404
1995			7,161
1996			7,309
1997			6,691
1998			7,010
1999			7,640
2000			7,970
2001			8,165
2002			8,484
2003			9,320
2004			4,615

Detailed Production Report

Mon Oct 15, 2012

1985	15,214
2005	10,067
2006	7,460
2007	8,940
2008	8,943
2009	7,701
2010	6,532
2011	5,835
2012	2,812
TOTALS	230,748

Monthly Production

Data Source: PI

Year	Month	Oil BBLS	Gas MCF	Water BBLS	Cond Vld STB/MMCF	% Water	# of Wells	Days On
1985	AUG		2,760				1	9
1985	SEP		5,008				1	0
1985	OCT		2,474				1	0
1985	NOV		2,712				1	0
1985	DEC		2,260				1	0
Totals 1985			15,214					
1986	JAN		284				1	5
1986	FEB		0					0
1986	MAR		0					0
1986	APR		990				1	18
1986	MAY		2,890				1	22
1986	JUN		0					0
1986	JUL		0					0
1986	AUG		0					0
1986	SEP		0					0
1986	OCT		3,563				1	27
1986	NOV		900				1	12
1986	DEC		0					0
Totals 1986			8,627					
1987	JAN		2,537				1	22
1987	FEB		1,730				1	28
1987	MAR		1,609				1	31
1987	APR		1,430				1	30
1987	MAY		1,027				1	31
1987	JUN		781				1	18
1987	JUL		1,693				1	31
1987	AUG		1,203				1	27
1987	SEP		937				1	30
1987	OCT		990				1	21
1987	NOV		908				1	28
1987	DEC		942				1	24
Totals 1987			15,787					
1988	JAN		1,032				1	31
1988	FEB		878				1	29
1988	MAR		1,074				1	31
1988	APR		722				1	25