3-18-08

Date

FORM APPROVED DIST. 3 OM B No. 1004-0137 Expires: March 31, 2007 Form 3160-5 UNITED STATES (April 2004) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 5. Lease Serial No. Fee SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1. Type of Well Oil Well Gas Well□□ FEB 19 2008 8. Well Name and No. Wildwood #1 2. Name of Operator McElvain Oil & Gas Properties, Inc. Bureau of Land Ivianagement API Well No. 9. 3b Phoen North at the brief to be frice 30-045-33422 3a Address 1050 17th St, Suite 1800, Denver, CO 80265 303-893-0933 10. Field and Pool, or Exploratory Area **Fulcher Kutz Pictured Cliffs** 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1445 FNL & 1420 FEL Sec 5 T29N R13W San Juan, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Acidize Production (Start/Resume) Water Shut-Off Deepen Notice of Intent Alter Casing Well Integrity Reclamation Fracture Treat Other Downhole Casing Repair New Construction Recomplete Subsequent Report Change Plans Commingle Plug and Abandon Temporarily Abandon Final Abandonment Notice Water Disposal Convert to Injection Plug Back 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) Attached find the notice given to the New Mexico OCD for proposed Downhole Commingling. ADOMPTED FOR PEUTICO MAR 1 U 2008 DHC1807AZ 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) John D Steuble Title Vice President Engineering

which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

600

FFD

Title

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

(Instructions on page 2)

Conditions of approval, if any, are attached. Approval of this notice does not warrant or

certify that the applicant holds legal or equitable title to those rights in the subject lease

Signature

Approved by

| Submit 3 Copies 10 Appropriate District | State of New Mexico | Form C-103 |
|--|---|---|
| District 1 | Energy, Minerals and Natural Resources | May 27, 2004 |
| 1625 N. French Dr., Hobbs, NM 88240 District II | | WELL API NO. 30-045-33422 |
| 130; W. Grand Ave., Artesia, NM 88210 | OIL CONSERVATION DIVISION | 5. Indicate Type of Lease |
| <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 | 1220 South St. Francis Dr. | STATE FEE |
| District IV | Santa Fe, NM 87505 | 6. State Oil & Gas Lease No. |
| 1220 S. St. Francis Dr , Santa Fe, NM 87505 | | |
| SUNDRY NOTI | CES AND REPORTS ON WELLS SALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A | 7. Lease Name or Unit Agreement Name |
| PROPOSALS.) | CATION FOR PERMIT" (FORM C-101) FOR SUCH | Wildwood |
| | Gas Well Other | 8. Well Number 1 |
| 2. Name of Operator McElvain Oil & Gas Properties, Inc. | c. | 9. OGRID Number 22044 |
| 3. Address of Operator 1050 17 th St, Suite 1800, Denver, | CO 80265 | 10. Pool name or Wildcat Fulcher Kutz Pictured Cliffs |
| 4. Well Location | | |
| Unit LetterG:_ | _1445_feet from theNorth_ line and1420_ | feet from theEastline |
| Section 5 | | PM County San Juan |
| | 11. Elevation (Show whether DR, RKB, RT, GR, | etc.) |
| Pit or Below-grade Tank Application □ o | 5513 GR | · · · · · · · · · · · · · · · · · · · |
| | aterDistance from nearest fresh water well | Distance from recept surface water |
| Pit Liner Thickness: mil | | Construction Material |
| | | |
| | Appropriate Box to Indicate Nature of Notice | • |
| NOTICE OF IN | l l | UBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK | PLUG AND ABANDON REMEDIAL W | |
| TEMPORARILY ABANDON DULL OR ALTER CASING | CHANGE PLANS COMMENCE MULTIPLE COMPL CASING/CEM | DRILLING OPNS.□ PAND A □ IENT JOB □ |
| FOLL ON ALTER CASING | MOLTIFLE COMPL CASING/CEM | IENT JOB |
| OTHER: Downhole Commin | gle OTHER: | |
| | leted operations. (Clearly state all pertinent details, | |
| of starting any proposed we or recompletion. | ork). SEE RULE 1103. For Multiple Completions: | Attach wellbore diagram of proposed completion |
| or recompletion. | | (|
| | | |
| McElvain Oil and Gas Properties, In- | c. proposes to down hole commingle as detailed on | the attached exhibits. |
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| I hereby certify that the information a grade tank has been/will be constructed or | above is true and complete to the best of my knowled according to NMOCD guidelines , a general permit | edge and belief. I further certify that any pit or below- |
| SIGNATURE John. | TEUDIETITLEVice President En | _ |
| Type or print name John D Steuble For State Use Only | E-mail address: <u>JohnS@McElvain.</u> | • – |
| APPROVED BY: | TITLE | DATE |
| · · · · · · · · · · · · · · · · · · · | | |

Conditions of Approval (if any):

ATTACHMENT TO APPLICATION TO DOWNHOLE COMMINGLE

McElvain Oil and Gas Properties, Inc. is providing the supporting data for application to downhole commingle production from the following well:

Well: Wildwood #1 API: 30-045-33422

Location: UL G, Sec.5, T29N, R13W San Juan County, NM

- 1. Case #12346, Order #R-11363 establishes the two subject pools as pre-approved for commingling.
- 2. The pools to be commingled are the Basin Fruitland Coal (71629) and the Fulcher Kutz Pictured Cliffs (77200).
- 3. The well is presently completed in both pools and is presently awaiting a pipeline connection.
- 4. Completed intervals are as follows:

Pictured Cliffs: 1334'-1344' (12' net pay)
Basin Fruitland Coal: 1281'-1287' (7' net pay)
1205'-1219' (15' net pay)
1167'-1171' & 1159'-1163' (9' net pay)

5. McElvain intends to allocate production based on net pay footage.

Pictured Cliffs: 28% Fruitland Coal: 72%

- 6. Commingling will not reduce the total value of the total remaining production from this well.
- 7. A C-102 for each pool is included.
- 8. Notice has been sent to all interest owners in the spacing unit by certified mail (return receipt) of McElvain's intent to down hole commingle production. A copy of this notice and a list of all interest owners are attached.
- 9. A copy of this notice of intent to down hole commingle has been sent to the Bureau of Land Management.

District I PO Box 1980, Hobbs, NM 8B241-1980

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

Pool Code

'API Number

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

Pool Name

| Property Kode WILDMOOD 1 35260 "OSRID No. 22044 MCELVAIN OIL & GAS PROPERTIES "Elevation Spid No. 10 Surface Location "OSRID No. 10 Surface Location "Osration No. 10 Surface Location "User but no. 11 Bottom Hole Location If Different From Surface "User but no. 11 Bottom Hole Location If Different From Surface "User but no. 159.94 Acres - NE/4 NO ALLOWABLE WILL SE ASSIGNED TO THIS COMPLETION LINTIL ALL INTERESTS HAVE BEEN CONSOLIDATED ON A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 15 2647.92' "User but no. 10 Surface Location Linting Completion Linting Compl | 30-045-3 | 33422 | 1 | 77 | 200 | | } | -ULCHER F | KUTZ | . PICTUR | KED CL | 1115 | |
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| User between Section 150 Surface Location User between Section 150 Section 15 | | No. | | | | *Operato | 3 ' | | | levation | | | |
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| LOT 3 SF078643 SF078643 Signature Robert E. Fielder Printed Name Agent Title FEE SURVEYOR CERTIFICATION I hereby certify the the species of my knowledge and belief The bruary 14, 2006 Date SURVEYOR CERTIFICATION I hereby certify the the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the species of my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the place the my knowledge and belief FEE SURVEYOR CERTIFICATION I hereby certify the place the my knowledge and belief FEE SURV | 16 | 264 | 7.92' | | <u> </u> | 1300.53 | | 1300 53 | | 17 OPER | ATOR | CERTI | FICATION |
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| JASON C. EDWARDS | 92 | | | | i | | | | Ŕ | 1 6 | 11 | | /&/ |
| UASON C. LDWAND | | , | | | , | | 1 | | ••• | / 4 | d) | _ / | \$ |
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District I PO Box 1980, Hobbs, NM BB241-1980

District II PO Drawer DD, Artesia, NM 88211-0719

District III

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088

Form C-102
Revised February 21. 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Certificate Number

| 140 | I Number | | | LOCATI | ON AND A | CREAGE DED | | | AT. | | ····· | |
|---|----------|-----------|----------------|----------------|-------------------------------|----------------------------------|---------------------|--|---|----------|---|--|
| | | | | 629 | | Pool Name Basin Fruitland Coal | | | | | | |
| 'Property Code 35260 | | | | | °Property WILDW | | | | | | Well Number | |
| 'OGRID No. | | | | *Operator Name | | | | | | | levation | |
| 2204 | 4 | | | | | | AS PROPERTIES | | | 5513 | | |
| UL or lot no. | Section | Township | Range | Lot Idn | O Surface | Location North/South line | Fee | t from the | East/We | st line | County | |
| G | 5 | 29N | 13W | | 1445 | NORTH | | 1420 EA | | ST | SAN JUA | |
| UL or lot no. | Section | 11 C | ottom Range | Hole L | ocation I | f Different | | m Surf | ace East/We | et Lon | County | |
| oc a loc lb. | Section | TORNSHIP | harge . | LOT TOIL | reet from the | NO. CA SUDA THE | l res | eet from the East/V | | SC 1118 | County | |
| Dedicated Acres | 319.76 | Acres - I | V/2 | | ³³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order | · No. | | | <u> </u> | |
| 13151 1316 1316 1316 1316 1316 1316 1316 | | | OT 3 | " | OT 2 19 F078643 | LOT 1 | 1320.00 | I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature J. D. Steuble | | | | |
| 00.00 | | | | # LONG: | | 420' EE | 1320.00 | I hereby o | V.P. E 1-31-0 YOR ertify the this plat | ngineeri | FICATIO | |
| | | | |) | | | <u></u> - | my supervi | ision, and | that the | by me or unde same is true y belief | |

5280.001

T. H. McElvain Oil & Gas Limited Partnership

MCELVAIN OIL & GAS PROPERTIES, INC., SOLE GENERAL PARTNER 1050 17th Street, Suite 1800 Denver, Colorado 80265-1801

SHERYL A. OLSON, CPL SENIOR LANDMAN TELEPHONE 303-893-0933 EXT.329
FAX 303-893-0914
E-MAIL: SHERYLO@MCELVAIN.COM

February 15, 2008

CERTIFIED MAIL

RETURN RECEIPT REOUESTED

TO: AFFECTED INTEREST OWNERS

Re: Notice of Intent to Apply for Downhole Commingling

Wildwood #1: SW/4NW/4 Section 5, T 29N-R13W Wildwood #3: SE/4NW/4 Section 5, T 29N-R13W

San Juan County, New Mexico

Dear Ladies and Gentlemen:

In accordance with the New Mexico Oil Conservation Division Rule 303.C. governing downhole commingling, you are hereby notified that T. H. McElvain Oil & Gas Properties, Inc., as Operator of the above-captioned wells, intends to downhole commingle production from the Basin Fruitland Coal (71629) and the Fulcher Kutz Pictured Cliffs (77200) pools for said wells. These pools are preapproved for commingling by the State of New Mexico Oil Conservation Division ("NMOCD") of the Energy, Minerals and Natural Resources Department.

The proposed allocation percentages for each pool are as follows.

I Cleson

McElvain intends to allocate production based on net pay footage for the Wildwood #1 well:

Pictured Cliffs: 28% Fruitland Coal: 72%

McElvain intends to allocate production based on net pay footage for the Wildwood #3 well:

Pictured Cliffs: 41% Fruitland Coal: 59%

The NMOCD requires all interest owners that may be affected by this proposal be notified of the intent to downhole commingle if ownership is different between zones. Should you have any objection to this application, objections must be filed in writing within twenty days (20) from the date of this letter at the Division office: 1220 So. St. Francis Drive, Santa Fe, New Mexico 87505. If no objection is received within this twenty (20) day period, this application for commingling may be approved.

Very truly yours.

Sheryl A. Olson, CPL

Senior Landman

AFFECTED INTEREST OWNERS

Wildwood No. #1 and #3 Downhole Commingling Notice

T. H. McElvain Oil & Gas Limited Partnership

XTO Energy Inc., Attn: Christopher Spencer

Elliott-Hall Company Limited Partnership

Elliott Industries Limited Partnership

Bayless Ranches L.L.C.

c/o Robert L Bayless Producer LLC

Elledge Oil & Gas LLC

McElvain Oil Company

Bureau of Land Management

Allene Luther & Pauline Henrietta Bledsoe

Twila Goodding, Trustee of the Joseph E. and Twila M. Goodding Living Trust Dated July 12, 1989

Alamo Development Company

Dovey Ann Ledford and Robert James Ledford

John Mein

Roger Gascoin and Mathilde C. Gascoin

Hazel G. Steiner and Alice R. McLain

Carl Nethercutt

C.C. Nethercutt, Sr. & J. B. Nethercutt

Doris LeBarre Viola Nethercutt B. H. Dege, Jr.

Don H. Miller and Aileene Miller

Donna Beth Ramoni

Carroll N. Guin

Ralph Manson and Lillian Manson

Heirs of A. L. Miller,

Marguerite Atkinson and Evalee Miller

C.E. Townsley

Jan Hilbert

Frank T. Rogers

Ernest Grantham and John William Grantham

Herbert G. Hassenstein and Marion B. K. Hassenstein

Rev. Xavier S. Baranowski and

Myren S. Baranowski

Society for the Propagation of the Faith Most Rev. Bishop Fulton J. Sheen Claretian Fathers and Servite Fathers

Steven Paulus and Deen Paulus

Betty Proctor

Ernest and Carolyn Herzberger

Stephine Berkedal

Arne S. Maki Estate,

Verna Risku Personal Representative

Heirs of John Mark, c/o Andrew Mark

Dominik Fuchs

Joseph Kripics

M. F. Bailey

Calvin E. Closson and Lula M. Closson,

Heirs of Gisela & Raymond E.

Arthur L. Martinez

Sonnenwald, c/o Todd P. Sonnenwald

Jesse J. McCulloch and Laura McCulloch Jack I. Clow, c/o Elaine Trust Clow Sergeant Michael J. S. Miller Albert H. Becker Ethel G. Parisian Leo P. Parisian Heirs of Samuel H. Waalen, c/o J. H. Waalen Clyde L. B. Harner and Bonnie J. Harner Gardner B. Perry and Elizabeth D. Perry Amanda Caire Milton R. Highley Arthur Girdino G. A. Lee Joe M. L. Melton William L. Stack Melba R. Hanley and George B. Hanley Edward Borak Boraczek and Anna Borak Boraczek Raymond F. Schumann William O. Stackhouse, Jr. Artie Lambert P. Candeliere, Jr. A. Candeliere Essex Eads and Geraldine Eads John N. Weyerts (DBA Cresset Crude Oil & Gas) Joseph G. Guagliardi, Jr., and William Corley John Henry Russell Dyett, Jr Anthony Derald Dyett Philippa Ann Armstrong

Marvin Bernard Dyett

Cheryl Marie Dyett-Green