

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-
May 27, 2

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Of

AMENDED REPC

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

¹ Operator Name and Address McElvain Oil & Gas Properties, Inc. 1050 17 th St., Suite 1800 Denver, CO 80265-1801		² OGRID Number 22044
		³ API Number 30-039-30118
³ Property Code 30165	³ Property Name Badger Corn 14	⁶ Well No. 2
⁹ Proposed Pool 1 Blanco Mesa Verde		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the 671	North/South line	Feet from the 1530	East/West line	County
B	14	25N	2W			North		East	Rio Arriba

⁸ 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

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 7314'
¹⁶ Multiple N	¹⁷ Proposed Depth 5898'	¹⁸ Formation Mancos	¹⁹ Contractor D&J Drilling	²⁰ Spud Date January 1, 2007
Depth to Groundwater 90 ft		Distance from nearest fresh water well > 1000 ft		Distance from nearest surface water > 1000 ft
Pit: Liner: Synthetic X 12 mils thick Clay <input type="checkbox"/> Closed-Loop System <input type="checkbox"/>		Pit Volume: 11000 bbls		Drilling Method: Mud/air Fresh Water X Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air X

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12.250"	9.625"	36	500	265	Surface
8.750"	7.000"	20	3818	280	1588'
			DV@1588	190	Surface
6.250"	4.500"	10.5	3698-5898	225	3698

²² 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.
Drilling plan and blowout prevention diagram attached

RCVD NOV30'06
OIL CONS. DIV.
DIST. 3

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan .
Signature: *Robert E. Fielder*

OIL CONSERVATION DIVISION

Approved by:

Printed name: Robert E. Fielder

Title: **DEPUTY OIL & GAS INSPECTOR, DIST. 3**

Title: Agent

Approval Date: **DEC 05 2006** Expiration Date: **DEC 05 2007**

E-mail Address: pmci@advantas.net

Date: November 29, 2006

Phone BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

ttached

Case No. 14048..... Exhibit No. 2

Submitted by:

MCELVAIN OIL & GAS PROPERTIES, INC.

Hearing Date: December 13, 2007

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1501 W. Grand Avenue, Artesia, NM 88210
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1600 Edo Brown Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*AFF Number 30-039-30118		*Pool Code 72319	*Pool Name Blanco Mesa Verde
*Property Code 30165	*Property Name BADGER COM 14		*Well Number 2
*OGRID No. 22044	*Operator Name McELVAIN OIL & GAS PROPERTIES		*Elevation 7314

10 Surface Location

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
B	14	25N	2W		671	North	1530	East	Rio Arriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres 320	*Joint or Infill	*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

<p>16</p> <p>N 89°59'W</p> <p>80.07 Ch.</p> <p>Lat. 36.40328° N Long. 107.01586° W</p> <p>671'</p> <p>1530'</p> <p>80.00 Ch.</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Robert E. Fielder</i></p> <p>Signature</p> <p>Robert E. Fielder</p> <p>Printed Name</p> <p>Agent pmci@advantas.net</p> <p>Title and E-mail Address</p> <p>November 29, 2006</p> <p>Date</p>	
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>20 Sep 2006</p> <p>Date of Survey</p> <p><i>William E. Mahinke II</i></p> <p>Signature and Seal of Professional Surveyor</p> <p>William E. Mahinke II</p> <p>Certificate Number 8466</p>	
<p>80.00 Ch.</p> <p>Sec.</p> <p>14</p> <p>80.05 Ch.</p> <p>West</p> <p>*2A</p>		

REC'D NOV 30 2006
OIL CONSERV. DIV.

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Energy Minerals and Natural Resources

Form C-
May 27, 2

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Santa Fe, NM 87505

Submit to appropriate District Of

AMENDED REPC

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

¹ Operator Name and Address McElvain Oil & Gas Properties, Inc. 1050 17 th St., Suite 1800 Denver, CO 80265-1801		² OGRID Number 22044
		³ API Number 30 - 039 - 30122
³ Property Code 36165	³ Property Name Badger Com 14	⁶ Well No. 2A
⁹ Proposed Pool 1 Blanco Mesa Verde		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	25N	2W		663	South	965	East	Rio Arriba

⁸ 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 7318'
¹⁶ Multiple N	¹⁷ Proposed Depth 5867'	¹⁸ Formation Mancos	¹⁹ Contractor D&J Drilling	²⁰ Spud Date January 1, 2007
Depth to Groundwater 90 ft		Distance from nearest fresh water well > 1000 ft		Distance from nearest surface water > 1000 ft
Pit: Liner: Synthetic X 12 mils thick Closed-Loop System <input type="checkbox"/>		Clay <input type="checkbox"/>	Pit Volume: 11000 bbls	Drilling Method: Mud/air Fresh Water X Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air X

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12.250"	9.625"	36	500	265	Surface
8.750"	7.000"	20	3782	280	1552'
			DV@1552	185	Surface
6.250"	4.500"	10.5	3662-5867	225	3662

²² 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.
Drilling plan and blowout prevention diagram attached

RCVD NOV30'06
OIL CONS. DIV.
DIST. 3

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit , or an (attached) alternative OCD-approved plan

Signature: *Robert E. Fielder*
Printed name: Robert E. Fielder
Title: Agent
E-mail Address: pmci@advantas.net
Date: November 29, 2006
Phone: 505.320.1435

OIL CONSERVATION DIVISION

Approved by: *[Signature]*
Title: DEPUTY OIL & GAS INSPECTOR, DIST. #7
Approval Date: DEC 05 2006
Expiration Date: DEC 05 2007
Conditions of Approval Attached

12/5/06

District I
1625 N. Francis Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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Energy, Minerals & Natural Resources Department
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Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
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Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-039-30122		* Pool Code 72319	* Pool Name Blanco Mesa Verde
* Property Code 36169	* Property Name BADGER COM 14		* Well Number 2A
* OGBID No. 22044	* Operator Name McELVAIN OIL & GAS PROPERTIES		* Elevation 7318

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
P	14	25N	2W		663	South	965	East	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 320	* Joint or Infill	* Consolidation Code	* Order No.
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<p>16</p> <p>80.00 Ch.</p> <p>N 89°59'W</p> <p>80.07 Ch.</p> <p># 2</p> <p>Sec.</p> <p>14</p> <p>80.05 Ch.</p> <p>Lat. 36.39253° N Long. 107.01369° W</p> <p>West</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Robert E. Fielder</i></p> <p>Signature</p> <p>Robert E. Fielder</p> <p>Printed Name</p> <p>Agent pmci@advantas.net</p> <p>Title and E-mail Address</p> <p>November 29, 2006</p> <p>Date</p>

RCVD NOV30'06
OIL CONS. DIV.
DIST. 9