

AMACKER WELL TIMELINE

May 2006	Frontier spuds Amacker well
June-August 2006	Frontier engages in testing and completion operations
September 2006	Frontier abandons well site

January 2007	McElvain takes over Amacker well site
January-February 2007	Significant snow accumulations and failed attempt to remove equipment from well site
April 20, 2007	Division inspector visits Amacker well site, but does not contact McElvain.
May 1, 2007	McElvain removes water from pit on location without any prompting by the Division.
May 3, 2007	McElvain submits a request to re-complete the Amacker well in the Mesa Verde formation at an unorthodox well location. Note: This filing communicated McElvain's intent to use the existing pit.
May 15, 2007	McElvain receives NOV imposing a \$2,000 fine for (a) allowing "liquids" (runoff water) to overtop the liner, and (b) failing to close the pit "within six months after cessation of use without being granted an extension."
May 17, 2007	Envirotech site assessment demonstrates no contamination at the pit site.
May 24, 2007	Division approves unorthodox well location for re-completion efforts.
May 30, 2007	Meeting in Farmington concerning the NOV. Above events reviewed and McElvain informed that in addition to approval of the re-completion efforts, a C-103 pit extension request is required.
May 31, 2007	McElvain files a C-103 pit extension request
June 4, 2007	Division approves pit extension request
September 25, 2007	McElvain accepts ACO-196 imposing a \$1,000 fine for failing to close pit "within six months of cessation of use," but NO finding of any knowing and willful violations.

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Permit 33212

Oil Conservation Division
1220 S. 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 NUMBER 30-043-21013
1. Type of Well: O		5. Indicate Type of Lease S
2. Name of Operator FRONTIER DRILLING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 1101 W BROADWAY, BLOOMFIELD, NM 87413		7. Lease Name or Unit Agreement Name AMACKER
4. Well Location Unit Letter <u>L</u> : <u>1915</u> feet from the <u>S</u> line and <u>545</u> feet from the <u>W</u> line Section <u>22</u> Township <u>23N</u> Range <u>01W</u> NMPM Sandoval County		8. Well Number 001
11. Elevation (Show whether DR, KB, BT, GR, etc.) 7467 GR		9. OGRID Number 239882
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		10. Pool name or Wildcat
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE OF PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> Other:		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTER CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

5/16/06 MIRU Stevenson Drilling Company Drill 12 1/4" hole to 325'

5/22/06 Ran & landed 9 jts., 320', 9 5/8" 36#/ft K-55 casing, landed at 320'. RU Halliburton, cemented with 210 sks regular cement, circ 5 bbls cement to surface.

6/06/06 MIRU Frontier Drilling Rig 1. Drill 8 3/4" hole to 3017', drill 7 7/8" hole to TD of 6996'.

6/20/06 Ran & landed 175 jts 5 1/2" 17#/ft casing at 6930', DV tool at 6138'. RU Halliburton, cement with 25 sks Lite, 115 sks 50/50 POZ in first stage followed by 685 sks Type G, 3% Econolite and 440 sks 50/50 POZ in second stage, circulated 100 sks to surf/5/16/2006 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
05/19/06	Surf	FreshWater	12.25	9.825	38	K-55	0	320	215	1.25	regular		1500	15	N
06/20/06	Prod	Mud	7.875	5.5	17	K-55	0	6930	1285	1.5	regular		1250	0	N

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed TITLE Operations Manager DATE 7/7/2006
Type or print name Steve Owen E-mail address steve@frontierdrilling.us Telephone No. 505-632-9150

For State Use Only:

APPROVED BY: Charlie Perrin TITLE District Supervisor DATE 7/7/2006 4:06:10 PM

Submit 3 Copies 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
May 27, 2004

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

SUNDY 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. 30-043-21013
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
2. Name of Operator McElvain Oil and Gas Properties, Inc.		6. State Oil & Gas Lease No. 303306
3. Address of Operator 1050 17th Street, Suite 1800, Denver, CO 80265		7. Lease Name or Unit Agreement Name Amacker
4. Well Location Unit Letter <u>L</u> : <u>1915</u> feet from the <u>South</u> line and <u>545</u> feet from the <u>West</u> line Section <u>22</u> Township <u>23N</u> Range <u>1W</u> NMPM County <u>Sandoval</u>		8. Well Number <u>#1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7467 GL		9. OGRID Number <u>22044</u>
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat BadLands Hill Mancos
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Complete <input checked="" type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

RECORD CLEAN UP- Frontier Drilling Operator of Record during 1st Completion

6/29/06 - Ran GR/CBL/CCL - Good bond- Cement to surface. Perf Lower Niobrara 6,722- 6,560' - 33 shots.
7/1/06 - Acidize w/1,500 gal 15% HCL.
7/22/06 - Frac 6,560'-6,722' w/ 252,000# 20/40 sand, 3,521 bbls 20# Slick water.
8/2/06 - Ran 186 jts 2 7/8" tbg - Ran rods.
8/19/06 - Start PU - Pumped 13 bwpd w/ 40% oil cut.
9/12/06 - Lowered Tbg to 6,730'.
9/20/06 - Shut well in - uneconomic.

1/1/2007 - Well taken over by McElvain Oil and Gas.

RCVD OCT 25 '07
OIL CONS. DIV.
DIST. 3

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Debbie Powell TITLE Engineering Tech Supervisor DATE 10/22/2007

Type or print name Deborah Powell
For State Use Only

E-mail address: DebbieP@McElvain.com Telephone No. 303-893-0933

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: Debbie Powell TITLE _____ DATE OCT 25 2007

Conditions of Approval (if any):

McElvain Oil & Gas Properties, Inc.**FACSIMILE TRANSMITTAL SHEET**

TO: *Dorothy Phillips* FROM: *DEB Powell*
COMPANY: DATE: *1-25-07*
FAX NUMBER: TOTAL PAGES INCLUDING COVER:
PHONE NUMBER: SENDERS REFERENCE NUMBER:
RE: YOUR REFERENCE NUMBER:

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS

COO - Amacker.

*Problems
Holler*

Shane Deh

NMOCD Approval

Electronic Signature: Charlie Perrin, District 3

Date: *January 25, 2007*

1050 17TH STREET, SUITE 1800, DENVER, CO 80265
PHONE (303)-893-0933 - FAX (303) 893-0914

303-893-0933

Ex 308

District III
1000 Rio Pecos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-145
Permit 48201

Change of Operator

Previous Operator Information

OGRID: 239882
Name: FRONTIER DRILLING, LLC
Address: 1101 W BROADWAY
Address:
City, State, Zip: BLOOMFIELD, NM 87413

New Operator Information

Effective Date: 1/1/2007
OGRID: 22044
Name: MCELVAIN OIL AND GAS PROPERTIES
INC
Address: 1050 17TH STREET
Address: SUITE 1800
City, State, Zip: DENVER, CO 80265

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: Steve Owen
Printed Name: Steve Owen
Title: Frontier Drilling, LLC
Operations Manager
Date: 1/17/07 Phone: 435-621-2706

New Operator

Signature: John D. Steuble
Printed Name: John D. Steuble
Title: McElvain Oil & Gas Properties, Inc
Date: 1/25/07 Phone: 303-893-0933

From Operator FRONTIER DRILLING, LLC OGRID 239882
To Operator MCELVAIN OIL AND GAS PROPERTIES INC OGRID 22044
Wells Selected for Transfer, Permit 45201
Permit Status: DRAFT

OCD District: Aztec**Property Well**

35468 AMACKER #001

**Lease
Type** ULSTR**OCD
Unit** API**Well
Type****Pool
ID** Pool Name**Last Additional
Prod/Inj Bonding**

S L-22-23N-01W L 30-043-21013

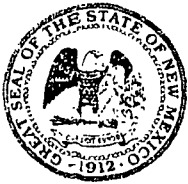
O

96929 BADLAND
HILLS;MANCOS

0

Total Additional bond

0



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 24, 2007

McElvain Oil & Gas Properties, Inc.
1050 17th Street
Suite 1800
Denver, Colorado 80265

Attention: Ms. Linnea C. Hill, CPL

Re: **Amacker Well No. 1**
API No. 30-043-21013
1915' FSL & 545' FWL, Unit L,
Section 22, T-23 North, R-1 West, NMPM,
Sandoval County, New Mexico

RCVD JUN11'07
OIL CONS. DIV.

DIST. 3

Administrative Order NSL-5629

Dear Ms. Hill:

Reference is made to the following:

- (a) McElvain Oil & Gas Properties, Inc.'s ("McElvain") application for a non-standard well location (*administrative application reference No. pCLP0712728764*) for the Amacker Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 4, 2007; and
- (b) the Division's records pertinent to McElvain's request.

McElvain requests approval of an unorthodox gas well location in the Wildcat-Mesaverde Gas Pool (Gas - N/A) for its existing Amacker Well No. 1 which has been drilled 1915 feet from the South line and 545 feet from the West line (Unit L) of Section 22, Township 23 North, Range 1 West, NMPM, Sandoval County, New Mexico. The SW/4 of Section 22 is to be dedicated to the well forming a standard 160-acre gas spacing and proration unit.

The subject well is not located within 2 miles of an existing Division-designated Mesaverde pool. The well is therefore subject to Division Rule No. 19.15.3.104.C.(3), which requires standard 160-acre gas spacing and proration units with wells to be located no closer than 660 feet to the outer boundary of the spacing unit, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

The Amacker Well No. 1 was originally drilled as a Mancos 40-acre oil test at a standard oil well location. It is our understanding that the well tested non-commercial in the Mancos formation, and will now be plugged back to test the Mesaverde formation.

The affected offset acreage is the SE/4 of Section 21, Township 23 North, Range 1 West, NMTM. The applicant has provided notice of this application to all interest owners within the affected offset acreage. No interest owner has objected to the subject application.

According to Division records, the Amacker Well No. 1 will be the only well producing from the Mesaverde formation within the SW/4 of Section 22.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Wildcat-Mesaverde Gas Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/lrc

cc: New Mexico Oil Conservation Division - Aztec

Submit 3 Copies 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
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1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

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

6 months
Form C-103
May 27, 2004

WELL API NO. 30-043-21013
5. Indicate Type of Lease STATE FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. 303306
7. Lease Name or Unit Agreement Name Amacker
8. Well Number # 1
9. OGRID Number 22044
10. Pool name or Wildcat Mesaverde

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)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address of Operator
1050 17th St., Suite 1800, Denver, CO 80265

4. Well Location
Unit Letter L: 1915 feet from the South line and 545 feet from the West line
Section 22 Township 23N Range 1W NMPM County Sandoval

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
7467 GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Pit Extension <input checked="" type="checkbox"/>	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

McElvain Oil and Gas requests an extension of pit closure until after the recompletion of the Mesaverde.

RCVD JUN4'07
OIL CONS. DIV.
DIST. 3

* Extension granted for 6 months

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Deborah K. Powell TITLE Eng Tech Supervisor DATE 05/31/2007

Type or print name Deborah Powell E-mail address: DebbyP@McElvain.com Telephone No. 303-893-0933 ex308
For State Use Only

APPROVED BY: Brandon Powell TITLE Deputy Oil & Gas Inspector,
District #3 DATE 6-4-07
Conditions of Approval (if any):

* see above note