

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
Revised June 6, 2013

For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office.
For permanent pits submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

- 12/35
- Type of action: ☐ Below grade tank registration
☐ Permit of a pit or proposed alternative method
☒ Closure of a pit, below-grade tank, or proposed alternative method
☐ Modification to an existing permit/or registration
☐ Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: McElvain Energy, Inc. OGRID #: 22044
Address: 1050 17th St, Suite 2500, Denver, CO 80265
Facility or well name: Federal Com #2R
API Number: 30-045-23512 OCD Permit Number: 1009
U/L or Qtr/Qtr M Section 12 Township 28N Range 13W County: San Juan
Center of Proposed Design: Latitude 36.67254 N Longitude -108.17825 W NAD: ☒ 1927 ☐ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F, G or J of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A ☐ Multi-Well Fluid Management Low Chloride Drilling Fluid ☐ yes ☐ no
☐ Lined ☐ Unlined Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other Volume: bbl Dimensions: L x W x D

3.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 95 bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

OIL CONS. DIV DIST. 3

AUG 12 2014

4.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

5.
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks).
☐ Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)
☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
☐ Alternate. Please specify

24

5. **Netting:** Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

☐ Screen ☐ Netting ☐ Other _____

☐ Monthly inspections (If netting or screening is not physically feasible)

7.

Signs: Subsection C of 19.15.17.11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

8.

Variations and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

9.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Siting criteria does not apply to drying pads or above-grade tanks.

General siting

Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank.

- ☐ NM Office of the State Engineer - iWATERS database search; ☐ USGS; ☐ Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit.

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No
☐ NA

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. (**Does not apply to below grade tanks**)

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within the area overlying a subsurface mine: (**Does not apply to below grade tanks**)

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area. (**Does not apply to below grade tanks**)

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☐ No

Within a 100-year floodplain. (**Does not apply to below grade tanks**)

- FEMA map

☐ Yes ☐ No

Below Grade Tanks

Within 100 feet of a continuously flowing watercourse, significant watercourse, lake bed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)

Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.)

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a occupied permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

Within 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application.

NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 100 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Temporary Pit Non-low chloride drilling fluid

Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application;

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 300 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Permanent Pit or Multi-Well Fluid Management Pit

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image

☐ Yes ☐ No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site

☐ Yes ☐ No

10.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

11.

Multi-Well Fluid Management Pit Checklist: Subsection B of 19.15.17.9 NMAC

Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ A List of wells with approved application for permit to drill associated with the pit.
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
- ☐ Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

13.

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Multi-well Fluid Management Pit
☐ Alternative
- Proposed Closure Method: ☐ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method

14.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

15.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC**Instructions:** Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Please refer to 19.15.17.10 NMAC for guidance.

| | |
|---|---|
| Ground water is less than 25 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is between 25-50 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA |
| Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance | |

adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; Written approval obtained from the municipality

☐ Yes ☐ No

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division

☐ Yes ☐ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map

☐ Yes ☐ No

Within a 100-year floodplain.

- FEMA map

☐ Yes ☐ No

16.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

17.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

18.

OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature: _____ Approval Date: 11/3/14

Title: Environmental Spec. _____ OCD Permit Number: _____

19.

Closure Report (required within 60 days of closure completion): 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ Closure Completion Date: 7/29/2014

20.

Closure Method:

- ☐ Waste Excavation and Removal ☒ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

21.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure for private land only)
☒ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☒ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude 36 40.366 N _____ Longitude -108 10.707 W _____ NAD: ☐ 1927 ☒

1983

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Deborah Powell Title: Eng Tech Manager

Signature:  Date: 8/11/2014

e-mail address: DebbyP@McElvain.com Telephone: 303-893-0933 ex 308

McElvain Energy, Inc.
San Juan Basin
Closure Plan

In accordance with Rule 19.15.17.1 NMAC the following procedure describes the closure plan for the McElvain Energy, Inc (MEI) below grade tank on the Federal Com #2R well located in the SWSW of Sec 12, T28N, 13W.

Closure Requirements:

1. MEI shall close the below grade tank within the time periods provided in 19.15.17.13 NMAC or by an earlier date that the division requires because of imminent danger to fresh water, public health, or the environment.
2. MEI shall close an existing below grade tank that does not meet the requirements of Paragraph (1) through (4) of Subsection I of 19.15.17.11 NMAC or is not included in Paragraph (5) of Subsection I of 19.15.17.11 NMAC within five years after June 16, 2008 if not retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.
3. MEI shall close a permitted below grade tank within 60 days of cessation of the below ground tank's operation or as required by the transitional provisions of Subsection B of 19.15.17.17 NMAC in accordance with a closure plan that the appropriate division district office approves. The closure report will be filed on C-144.
4. All liquids will be removed from the temporary permit prior to closure and the liquids disposed of in a division approved facility. **No liquids in tank.**
5. MEI shall remove the below grade tank and dispose of it in a division approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. **Tank Removed**
6. MEI will remove any on-site equipment associated with the below grade tank unless the equipment is required for some other purpose. **Associated Equipment removed.**
7. MEI shall test the soils beneath the below grade tank to determine whether a release has occurred. MEI shall collect a five point composite sample and individual grab samples from any area that is wet, discolored, or showing other evidence of a release. The samples will be analyzed for BTEX, TPH, and chlorides to demonstrate that the individual constituent levels are below the levels set forth in the published closure criteria found in 19.15.17.13 (H)(5) Table 1 NMAC. MEI shall notify the division of its results on form C-141 if any corrective action need be taken. **Analytical Report included.**

8. If MEI or the division determines that a release has occurred, then MEI shall comply with 19.15.3.116 NMAC and 19.15.1.19 NMAC as appropriate. **NO Release occurred.**
9. If contamination is confirmed by field sampling. MEI will follow the Guidelines For Remediation Of Leaks, Spills, and Releases NMOCD August 1993 when remediating identified contaminants. **None present.**
10. If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in Paragraph (4) of Subsection E of 19.15.17.13 NMAC, then MEI shall backfill the excavation with compacted, non-waste containing, earthen material; construct a division-prescribed soil cover; re-contour, and re-vegetate the site. **Backfilled with good soil and re-contoured.**
11. The surface owner shall be notified of MEI's closing of the below grade tank as per the approved closure plan using certified mail with return receipt requested. **Notification Attached**
12. Notice of closure will be given to the Aztec Division office between 72 hours and one week of closure via email or verbally. The notification of closure will include the following:
 - Operator's name
 - Location by Unit Letter, Section Township, and Range.
 - Well name and API number **Notification Attached**
13. All closure activities will include proper documentation and be available for review upon request and will be submitted to OCD within 60 days of closure of the below grade tank. The closure report will be filed on C-144 and incorporate the following:
 - Details on capping and covering where applicable
 - Inspection reports
 - Sampling results **Attached**
14. The site will be re-contoured to match the surrounding area. Natural drainages will be unimpeded and erosion control will be utilized where necessary. **Re-contoured to original state.**
15. MEI shall seed the disturbed areas the first growing season with a division approved seed mixture after pit closure. Seeding will be accomplished by drilling on the contour whenever possible or by other division approved methods. Repeat seeding or planting will be continued until successful vegetative growth occurs. **Vegetation will be seeded according to approved NMOCD rules.**

16. A minimum of four feet of cover shall be achieved and the cover shall include one foot of suitable material to establish vegetation at the site, or the thickness of the topsoil native to the area , whichever is greater. **Four plus feet of topsoil.**

Debby Powell

From: Randy Elledge
Sent: Monday, July 21, 2014 1:34 PM
To: Jonathan.Kelly@state.nm.us; Cory.Smith@State.nm.us; Brandon.Powell@state.nm.us
Cc: Debby Powell; Glenn Hise; John Steuble; Art Merrick
Subject: Federal Com #2R

McElvain Energy, Inc. will be sampling and removing the below grade pit tank at the Federal Com #2R on July 28th at 9:00am. If the soil samples return below the required limits, then backfilling will take place. If the test results are above the required limits, remediation will take place. Envirotech will be taking the field samples and conducting the laboratory analysis. A key is required to access the Bolack Ranch in order to reach the well site. If you need to gain access, let me know as soon as possible at 505-320-4969.

Randy J. Elledge
Wapiti Energy Services, LLC

McELVAIN ENERGY, LLC
1050 17th Street
Suite 2500
Denver, Colorado 80265

June 19, 2014

Tommy Bolack
Bolack Ranch
3901 Bloomfield Hwy
Farmington, NM 87401

RE: Federal Com # 2R
SWSW Sec 12 T28N, R28W
API # 30-045-23512
San Juan County, NM

7012 3460 0001 7878 4286

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| U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)* | |
| For delivery information visit our website at www.usps.com | |
| OFFICIAL USE | |
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |
| Postmark Here | |
| Sent To TOMMY BOLACK - Bolack Ranch Street, Apt. No., or PO Box No. 3901 BLOOMFIELD HWY City, State, ZIP+4 FARMINGTON NM 87401 | |
| PS Form 3800, August 2005 See Reverse for Instructions | |

sent out 6/19/14

The above stated well is currently being P&Aed. McElvain Energy, LLC is in the process of removing the equipment. Which includes the below grade 95 Bbl pit tank. The well pad will then be returned to condition required by NMOCD rules.

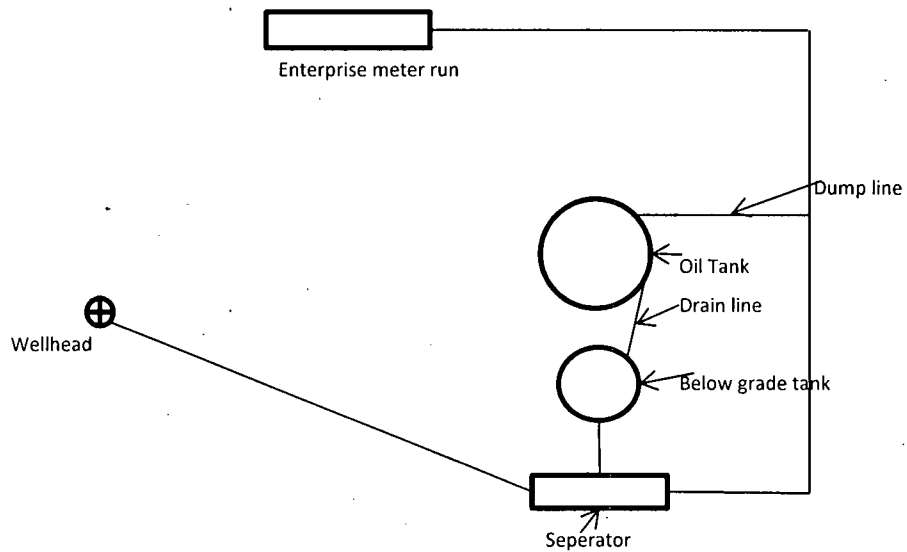
Deborah Powell
Deborah Powell
Engineering Tech Manager
303-893-0933 Ex 308

| | |
|---|--|
| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
| <input type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits. | A. Signature <i>[Signature]</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee |
| 1. Article Addressed to: TOMMY BOLACK 3901 Bloomfield Hwy Farmington NM 87401 | B. Received by (Printed Name) <i>Krista Alordrist</i> C. Date of Delivery <i>6-23-14</i> |
| | D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below |
| | 3. Service Type <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery |
| | 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes |
| 2. Article Number (Transfer from service label) | |
| PS Form 3811, July 2013 | Domestic Return Receipt |

7012 3460 0001 7878 4286

McElvain Energy, Inc.

Federal Com #2R



Lease # SF-078807A

API# 30-045-023512

S12 T28N R13W

Footage: 1085" FSL & 285' FWL

County: San Juan

State: New Mexico



Analytical Report

Report Summary

Client: McElvain Energy, Inc.
Chain Of Custody Number: 17040
Samples Received: 7/29/2014 11:35:00AM
Job Number: 06039-0033
Work Order: P407109
Project Name/Location: Federal Com #2R

Entire Report Reviewed By:

A handwritten signature in black ink, appearing to read "Tim Cain", is written over a horizontal line.

Date: 7/31/14

Tim Cain, Laboratory Manager

The results in this report apply to the samples submitted to Envirotech's Analytical Laboratory and were analyzed in accordance with the chain of custody document supplied by you, the client, and as such are for your exclusive use only. The results in this report are based on the sample as received unless otherwise noted. Partial or incomplete reproduction of this report is prohibited, unless approved by Envirotech, Inc. If you have any questions regarding this analytical report, please don't hesitate to contact Envirotech's Laboratory Staff.



McElvain Energy, Inc.
PO Box 5610
Farmington NM, 87499-5610

Project Name: Federal Com #2R
Project Number: 06039-0033
Project Manager: Tiffany McIntosh

Reported:
31-Jul-14 11:34

Analytical Report for Samples

| Client Sample ID | Lab Sample ID | Matrix | Sampled | Received | Container |
|------------------|---------------|--------|----------|----------|------------------|
| BGT Composite | P407109-01A | Soil | 07/29/14 | 07/29/14 | Glass Jar, 4 oz. |

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5796 US Highway 64, Farmington, NM 87401

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McElvain Energy, Inc.
PO Box 5610
Farmington NM, 87499-5610

Project Name: Federal Com #2R
Project Number: 06039-0033
Project Manager: Tiffany McIntosh

Reported:
31-Jul-14 11:34

BGT Composite
P407109-01 (Solid)

| Analyte | Result | Reporting | | Units | Dilution | Batch | Prepared | Analyzed | Method | Notes |
|---------------------------------------|--------|-----------|-------|--------|----------|---------|----------|----------|-----------|-------|
| | | Limit | | | | | | | | |
| Volatile Organics by EPA 8021 | | | | | | | | | | |
| Benzene | ND | 0.05 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| Toluene | ND | 0.05 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| Ethylbenzene | ND | 0.05 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| p,m-Xylene | ND | 0.05 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| o-Xylene | ND | 0.05 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| Total Xylenes | ND | 0.05 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| Total BTEX | ND | 0.05 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| Surrogate: Bromochlorobenzene | | 100 % | | 80-120 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| Surrogate: 1,3-Dichlorobenzene | | 99.9 % | | 80-120 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8021B | |
| Nonhalogenated Organics by 8015 | | | | | | | | | | |
| Gasoline Range Organics (C6-C10) | ND | 4.99 | mg/kg | 1 | | 1431011 | 07/29/14 | 07/30/14 | EPA 8015D | |
| Diesel Range Organics (C10-C28) | ND | 25.0 | mg/kg | 1 | | 1431010 | 07/29/14 | 07/30/14 | EPA 8015D | |
| Surrogate: Benzo[a]pyrene | | 96.5 % | | 50-200 | | 1431010 | 07/29/14 | 07/30/14 | EPA 8015D | |
| Total Petroleum Hydrocarbons by 418.1 | | | | | | | | | | |
| Total Petroleum Hydrocarbons | ND | 35.0 | mg/kg | 1 | | 1431013 | 07/30/14 | 07/30/14 | EPA 418.1 | |
| Cation/Anion Analysis | | | | | | | | | | |
| Chloride | 1280 | 9.94 | mg/kg | 1 | | 1431006 | 07/29/14 | 07/29/14 | EPA 300.0 | |

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McElvain Energy, Inc.
PO Box 5610
Farmington NM, 87499-5610

Project Name: Federal Com #2R
Project Number: 06039-0033
Project Manager: Tiffany McIntosh

Reported:
31-Jul-14 11:34

Volatile Organics by EPA 8021 - Quality Control

Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---------|--------|-----------------|-------|-------------|---------------|------|-------------|-----|-----------|-------|
|---------|--------|-----------------|-------|-------------|---------------|------|-------------|-----|-----------|-------|

Batch 1431011 - Purge and Trap EPA 5030A

Blank (1431011-BLK1)

Prepared: 29-Jul-14 Analyzed: 30-Jul-14

| | | | | | | | | | | |
|--------------------------------|------|-------|-------|------|--|------|--------|--|--|--|
| Benzene | ND | 0.001 | mg/kg | | | | | | | |
| Toluene | ND | 0.001 | " | | | | | | | |
| Ethylbenzene | ND | 0.001 | " | | | | | | | |
| p,m-Xylene | ND | 0.001 | " | | | | | | | |
| o-Xylene | ND | 0.001 | " | | | | | | | |
| Total Xylenes | ND | 0.001 | " | | | | | | | |
| Total BTEX | ND | 0.001 | " | | | | | | | |
| Surrogate: 1,3-Dichlorobenzene | 49.0 | | ug/L | 50.0 | | 98.0 | 80-120 | | | |
| Surrogate: Bromochlorobenzene | 48.9 | | " | 50.0 | | 97.9 | 80-120 | | | |

Duplicate (1431011-DUP1)

Source: P407109-01

Prepared: 29-Jul-14 Analyzed: 30-Jul-14

| | | | | | | | | | | |
|--------------------------------|------|-------|-------|------|----|------|--------|--|----|--|
| Benzene | ND | 0.001 | mg/kg | | ND | | | | 30 | |
| Toluene | ND | 0.001 | " | | ND | | | | 30 | |
| Ethylbenzene | ND | 0.001 | " | | ND | | | | 30 | |
| p,m-Xylene | ND | 0.001 | " | | ND | | | | 30 | |
| o-Xylene | ND | 0.001 | " | | ND | | | | 30 | |
| Surrogate: 1,3-Dichlorobenzene | 49.4 | | ug/L | 50.0 | | 98.8 | 80-120 | | | |
| Surrogate: Bromochlorobenzene | 49.7 | | " | 50.0 | | 99.4 | 80-120 | | | |

Matrix Spike (1431011-MS1)

Source: P407109-01

Prepared: 29-Jul-14 Analyzed: 30-Jul-14

| | | | | | | | | | | |
|--------------------------------|------|--|------|------|----|------|--------|--|--|--|
| Benzene | 48.3 | | ug/L | 50.0 | ND | 96.6 | 39-150 | | | |
| Toluene | 47.9 | | " | 50.0 | ND | 95.8 | 46-148 | | | |
| Ethylbenzene | 48.2 | | " | 50.0 | ND | 96.5 | 32-160 | | | |
| p,m-Xylene | 95.4 | | " | 100 | ND | 95.4 | 46-148 | | | |
| o-Xylene | 46.7 | | " | 50.0 | ND | 93.5 | 46-148 | | | |
| Surrogate: 1,3-Dichlorobenzene | 44.8 | | " | 50.0 | | 89.5 | 80-120 | | | |
| Surrogate: Bromochlorobenzene | 55.3 | | " | 50.0 | | 111 | 80-120 | | | |

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McElvain Energy, Inc.
PO Box 5610
Farmington NM, 87499-5610

Project Name: Federal Com #2R
Project Number: 06039-0033
Project Manager: Tiffany McIntosh

Reported:
31-Jul-14 11:34

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---|--------|-----------------|-------|---|---------------|---|-------------|-------|-----------|-------|
| Batch 1431010 - DRO Extraction EPA 3550M | | | | | | | | | | |
| Blank (1431010-BLK1) | | | | Prepared: 29-Jul-14 Analyzed: 30-Jul-14 | | | | | | |
| Diesel Range Organics (C10-C28) | ND | 24.9 | mg/kg | | | | | | | |
| Surrogate: Benzo[a]pyrene | 18.2 | | mg/L | 20.0 | | 90.9 | 50-200 | | | |
| LCS (1431010-BS1) | | | | Prepared: 29-Jul-14 Analyzed: 30-Jul-14 | | | | | | |
| Diesel Range Organics (C10-C28) | 517 | 25.0 | mg/kg | 499 | | 104 | 38-132 | | | |
| Surrogate: Benzo[a]pyrene | 19.1 | | mg/L | 20.0 | | 95.7 | 50-200 | | | |
| Matrix Spike (1431010-MS1) | | | | Source: P407109-01 | | Prepared: 29-Jul-14 Analyzed: 30-Jul-14 | | | | |
| Diesel Range Organics (C10-C28) | 536 | 25.0 | mg/kg | 499 | ND | 107 | 38-132 | | | |
| Surrogate: Benzo[a]pyrene | 18.3 | | mg/L | 20.0 | | 91.3 | 50-200 | | | |
| Matrix Spike Dup (1431010-MSD1) | | | | Source: P407109-01 | | Prepared: 29-Jul-14 Analyzed: 30-Jul-14 | | | | |
| Diesel Range Organics (C10-C28) | 540 | 25.0 | mg/kg | 500 | ND | 108 | 38-132 | 0.889 | 20 | |
| Surrogate: Benzo[a]pyrene | 18.2 | | mg/L | 20.0 | | 91.1 | 50-200 | | | |

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| | | | |
|---------------------------|------------------|------------------|------------------------------|
| McElvain Energy, Inc. | Project Name: | Federal Com #2R | Reported: 31-Jul-14 11:34 |
| PO Box 5610 | Project Number: | 06039-0033 | |
| Farmington NM, 87499-5610 | Project Manager: | Tiffany McIntosh | |

Nonhalogenated Organics by 8015 - Quality Control

Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---|--------|-----------------|-------|--|---------------|------|-------------|-----|-----------|-------|
| Batch 1431011 - Purge and Trap EPA 5030A | | | | | | | | | | |
| Blank (1431011-BLK1) | | | | Prepared: 29-Jul-14 Analyzed: 30-Jul-14 | | | | | | |
| Gasoline Range Organics (C6-C10) | ND | 0.10 | mg/kg | | | | | | | |
| Duplicate (1431011-DUP1) | | | | Source: P407109-01 Prepared: 29-Jul-14 Analyzed: 30-Jul-14 | | | | | | |
| Gasoline Range Organics (C6-C10) | ND | 0.10 | mg/kg | | ND | | | | 30 | |
| Matrix Spike (1431011-MS1) | | | | Source: P407109-01 Prepared: 29-Jul-14 Analyzed: 30-Jul-14 | | | | | | |
| Gasoline Range Organics (C6-C10) | 0.65 | | mg/L | 0.450 | 0.03 | 138 | 75-125 | | | SPK1 |

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| | | | |
|---------------------------|------------------|------------------|-----------------|
| McElvain Energy, Inc. | Project Name: | Federal Com #2R | |
| PO Box 5610 | Project Number: | 06039-0033 | Reported: |
| Farmington NM, 87499-5610 | Project Manager: | Tiffany McIntosh | 31-Jul-14 11:34 |

Total Petroleum Hydrocarbons by 418.1 - Quality Control

Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---|--------|-----------------|-------|-------------|---|------|-------------|-----|-----------|-------|
| Batch 1431013 - 418 Freon Extraction | | | | | | | | | | |
| Blank (1431013-BLK1) | | | | | Prepared & Analyzed: 30-Jul-14 | | | | | |
| Total Petroleum Hydrocarbons | ND | 34.9 | mg/kg | | | | | | | |
| Duplicate (1431013-DUP1) | | | | | Source: P407109-01 Prepared & Analyzed: 30-Jul-14 | | | | | |
| Total Petroleum Hydrocarbons | ND | 35.0 | mg/kg | | ND | | | | 30 | |
| Matrix Spike (1431013-MS1) | | | | | Source: P407109-01 Prepared & Analyzed: 30-Jul-14 | | | | | |
| Total Petroleum Hydrocarbons | 1930 | 34.9 | mg/kg | 2020 | ND | 95.4 | 80-120 | | | |

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| | | | |
|---------------------------|------------------|------------------|------------------------------|
| McElvain Energy, Inc. | Project Name: | Federal Com #2R | Reported: 31-Jul-14 11:34 |
| PO Box 5610 | Project Number: | 06039-0033 | |
| Farmington NM, 87499-5610 | Project Manager: | Tiffany McIntosh | |

Cation/Anion Analysis - Quality Control

Envirotech Analytical Laboratory

| Analyte | Result | Reporting Limit | Units | Spike Level | Source Result | %REC | %REC Limits | RPD | RPD Limit | Notes |
|---|--------|-----------------|-------|---|---------------|------|-------------|------|-----------|-------|
| Batch 1431006 - Anion Extraction EPA 300.0 | | | | | | | | | | |
| Blank (1431006-BLK1) | | | | Prepared & Analyzed: 29-Jul-14 | | | | | | |
| Chloride | ND | 9.99 | mg/kg | | | | | | | |
| LCS (1431006-BS1) | | | | Prepared & Analyzed: 29-Jul-14 | | | | | | |
| Chloride | 517 | 9.96 | mg/kg | 498 | | 104 | 90-110 | | | |
| Matrix Spike (1431006-MS1) | | | | Source: P407090-01 Prepared & Analyzed: 29-Jul-14 | | | | | | |
| Chloride | 819 | 9.88 | mg/kg | 494 | 317 | 102 | 80-120 | | | |
| Matrix Spike Dup (1431006-MSD1) | | | | Source: P407090-01 Prepared & Analyzed: 29-Jul-14 | | | | | | |
| Chloride | 799 | 9.95 | mg/kg | 498 | 317 | 97.0 | 80-120 | 2.47 | 20 | |

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McElvain Energy, Inc.

PO Box 5610

Farmington NM, 87499-5610

Project Name:

Federal Com #2R

Project Number:

06039-0033

Project Manager:

Tiffany McIntosh

Reported:

31-Jul-14 11:34

Notes and Definitions

SPK1 The spike recovery for this QC sample is outside of control limits.

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

dry Sample results reported on a dry weight basis

RPD Relative Percent Difference

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24-hr. RUSH!

CHAIN OF CUSTODY RECORD


17040

| Client: McElvain Oil & Gas | | | Project Name / Location: Federal Com #2R | | | ANALYSIS / PARAMETERS | | | | | | | | | | | | | | | |
|--|-------------|-------------|---|--------------------------|--|-----------------------|---|-------------------|--------------------|-------------------|---------------|----------------|----------------|---------------|----------------|-------------|-----------------|---------------|---------------|-------------|---------------|
| Email results to: T. McIntosh | | | Sampler Name: T. McIntosh | | | TPH (Method 8015) | BTEX (Method 8021) | VOC (Method 8260) | RCRA 8 Metals | Cation / Anion | RCI | TCLP with H/P | CO Table 910-1 | TPH (418.1) | CHLORIDE | | | Sample Cool | Sample Intact | | |
| Client Phone No.: 505-320-4969 | | | Client No.: 06039-0033 | | | | | | | | | | | | | | | | | | |
| Sample No. / Identification | Sample Date | Sample Time | Lab No. | No./Volume of Containers | Preservative | | | TPH (Method 8015) | BTEX (Method 8021) | VOC (Method 8260) | RCRA 8 Metals | Cation / Anion | RCI | TCLP with H/P | CO Table 910-1 | TPH (418.1) | CHLORIDE | | | Sample Cool | Sample Intact |
| | | | | | HNO ₃ | HCl | cool | | | | | | | | | | | | | | |
| BGT Composite | 7/29/14 | 9:45 | 1407109-01 | 1-4 oz jar | | | X | X | X | | | | | | | X | X | | | ✓ | ✓ |
| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| Relinquished by: (Signature) <i>Tiffany McIntosh</i> | | | | | Date 7/29/14 | Time 11:35 | Received by: (Signature) <i>Dene Zozin</i> | | | | | | | | | | Date 7/29/14 | Time 11:35 | | | |
| Relinquished by: (Signature) | | | | | | | Received by: (Signature) | | | | | | | | | | | | | | |
| Sample Matrix Soil <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Sludge <input type="checkbox"/> Aqueous <input type="checkbox"/> Other <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Sample(s) dropped off after hours to secure drop off area. <div style="font-size: 2em; font-weight: bold; margin-top: 10px;">24-hr RUSH!</div> | | | | | <div style="display: flex; align-items: center; justify-content: center;"> <div> <div style="font-weight: bold; font-size: 1.5em;">envirotech</div> <div style="font-size: 0.8em;">Analytical Laboratory</div> </div> <div style="margin-left: 10px; font-size: 1.2em;">127</div> </div> | | | | | | | | | | | | | | | | |

24-hr. RUSH!

CHAIN OF CUSTODY RECORD

17040

| Client: McElvain Oil & Gas | | | Project Name / Location: Federal Com #2R | | | ANALYSIS / PARAMETERS | | | | | | | | | | | | | | | |
|---|-------------|-------------|---|--------------------------|---|-----------------------|--|-------------------|--------------------|-------------------|---------------|----------------|----------------|---------------|----------------|-------------|----------|-------------|---------------|-------------|---------------|
| Email results to: T. McIntosh | | | Sampler Name: T. McIntosh | | | TPH (Method 8015) | BTEX (Method 8021) | VOC (Method 8260) | RCRA 8 Metals | Cation / Anion | RCI | TCLP with H/P | CO Table 910-1 | TPH (418.1) | CHLORIDE | | | Sample Cool | Sample Intact | | |
| Client Phone No.: 505-320-4969 | | | Client No.: 06039-0033 | | | | | | | | | | | | | | | | | | |
| Sample No. / Identification | Sample Date | Sample Time | Lab No. | No./Volume of Containers | Preservative | | | TPH (Method 8015) | BTEX (Method 8021) | VOC (Method 8260) | RCRA 8 Metals | Cation / Anion | RCI | TCLP with H/P | CO Table 910-1 | TPH (418.1) | CHLORIDE | | | Sample Cool | Sample Intact |
| | | | | | HNO ₃ | HCl | cool | | | | | | | | | | | | | | |
| BGT Composite | 7/29/14 | 9:45 | P407109-01 | 1-4 oz jar | | | X | X | X | | | | | | | X | X | | | ✓ | ✓ |
| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |
| Relinquished by: (Signature) <i>Tiffany McIntosh</i> | | | | | Date | Time | Received by: (Signature) <i>Dene Zozin</i> | | | | | | | | | | Date | Time | | | |
| Relinquished by: (Signature) | | | | | | | Received by: (Signature) | | | | | | | | | | | | | | |
| Sample Matrix | | | | | | | | | | | | | | | | | | | | | |
| Soil <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Sludge <input type="checkbox"/> Aqueous <input type="checkbox"/> Other <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Sample(s) dropped off after hours to secure drop off area. 24-hr RUSH! | | | | |  envirotech 127 Analytical Laboratory | | | | | | | | | | | | | | | | |

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

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

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | | | |
|-----------------|--|---------------|------------------------------|
| Name of Company | McElvain Energy, Inc. | Contact | Deb Powell |
| Address | 1050 17 th St, Suite 2500, Denver, CO 80265 | Telephone No. | 303-893-0933 |
| Facility Name | Federal Com #2R | Facility Type | Well - Removal of 95 Bbl BGT |

| | | | | | |
|---------------|---------|---------------|---------|---------|--------------|
| Surface Owner | Private | Mineral Owner | Federal | API No. | 30-045-23512 |
|---------------|---------|---------------|---------|---------|--------------|

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------------------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| | | | | | | | | OIL CONS. DIV DIST. 3 |

Latitude _____ Longitude _____

OCT 28 2014

C-141
8, 2011

NATURE OF RELEASE

| | | | |
|-----------------------------|--|---|----------------------------|
| Type of Release | NONE | Volume of Release | Volume Recovered |
| Source of Release | | Date and Hour of Occurrence | Date and Hour of Discovery |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | | Date and Hour | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

NO RELEASE

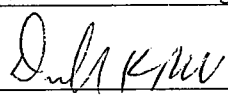
Describe Cause of Problem and Remedial Action Taken.*

NO RELEASE

Describe Area Affected and Cleanup Action Taken.*

NO RELEASE

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

| | | | |
|--|---------------------------------------|------------------|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | | |
| Printed Name: Deborah Powell | Approved by Environmental Specialist: | | |
| Title: Eng Tech Manager | Approval Date: | Expiration Date: | |
| E-mail Address: Debby@McElvain.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 10/27/2014 | Phone: 303-893-0933 EX 308 | | |

* Attach Additional Sheets If Necessary

Federal Com 2R
Covered Pit Location

