

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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

Form C-101
August 1, 2011
Permit 230899

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

1. Operator Name and Address MCELVAIN ENERGY, INC 1050 17th Street Denver, CO 80265		2. OGRID Number 22044
4. Property Code 317300		3. API Number 30-025-43581
5. Property Name IRONHOUSE 28 BS2 STATE COM		6. Well No. 004H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	28	18S	35E	M	200	S	660	W	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	28	18S	35E	D	230	N	660	W	Lea

9. Pool Information

AIRSTRIIP;BONE SPRING	960
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3915
16. Multiple N	17. Proposed Depth 14724	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 10/15/2017
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1820	1645	0
Int1	12.25	9.625	40	4936	1665	0
Prod	8.5	5.5	17	14724	1815	4436

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	2000	Cameron
Double Ram	5000	5000	Cameron

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Tony G Cooper	Approved By: Paul Kautz
Title: EHS Specialist	Title: Geologist
Email Address: Tony.Cooper@McElvain.com	Approved Date: 2/7/2017 Expiration Date: 2/7/2019
Date: 1/20/2017 Phone: 303-893-0933	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 230899

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43581	2. Pool Code 960	3. Pool Name AIRSTRIP;BONE SPRING
4. Property Code 317300	5. Property Name IRONHOUSE 28 BS2 STATE COM	6. Well No. 004H
7. OGRID No. 22044	8. Operator Name MCELVAIN ENERGY, INC	9. Elevation 3915

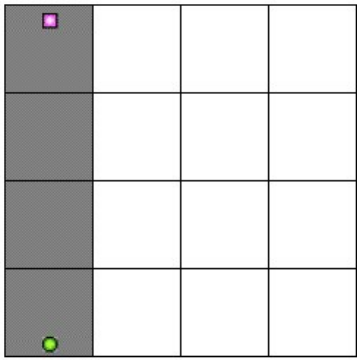
10. Surface Location

UL - Lot M	Section 28	Township 18S	Range 35E	Lot Idn M	Feet From 200	N/S Line S	Feet From 660	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 28	Township 18S	Range 35E	Lot Idn D	Feet From 230	N/S Line N	Feet From 660	E/W Line W	County Lea
12. Dedicated Acres 160.00	13. Joint or Infill		14. Consolidation Code Consolidation Pending				15. Order No.		

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 style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Tony G Cooper Title: EHS Specialist Date: 1/20/2017</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: GARY JONES Date of Survey: 11/4/2015 Certificate Number: 7977</p>
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Form APD Comments

Permit 230899

PERMIT COMMENTS

Operator Name and Address: MCELVAIN ENERGY, INC [22044] 1050 17th Street Denver, CO 80265	API Number: 30-025-43581
	Well: IRONHOUSE 28 BS2 STATE COM #004H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 230899

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MCELVAIN ENERGY, INC [22044] 1050 17th Street Denver, CO 80265	API Number: 30-025-43581
	Well: IRONHOUSE 28 BS2 STATE COM #004H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Must submit Gas Capture Plan