

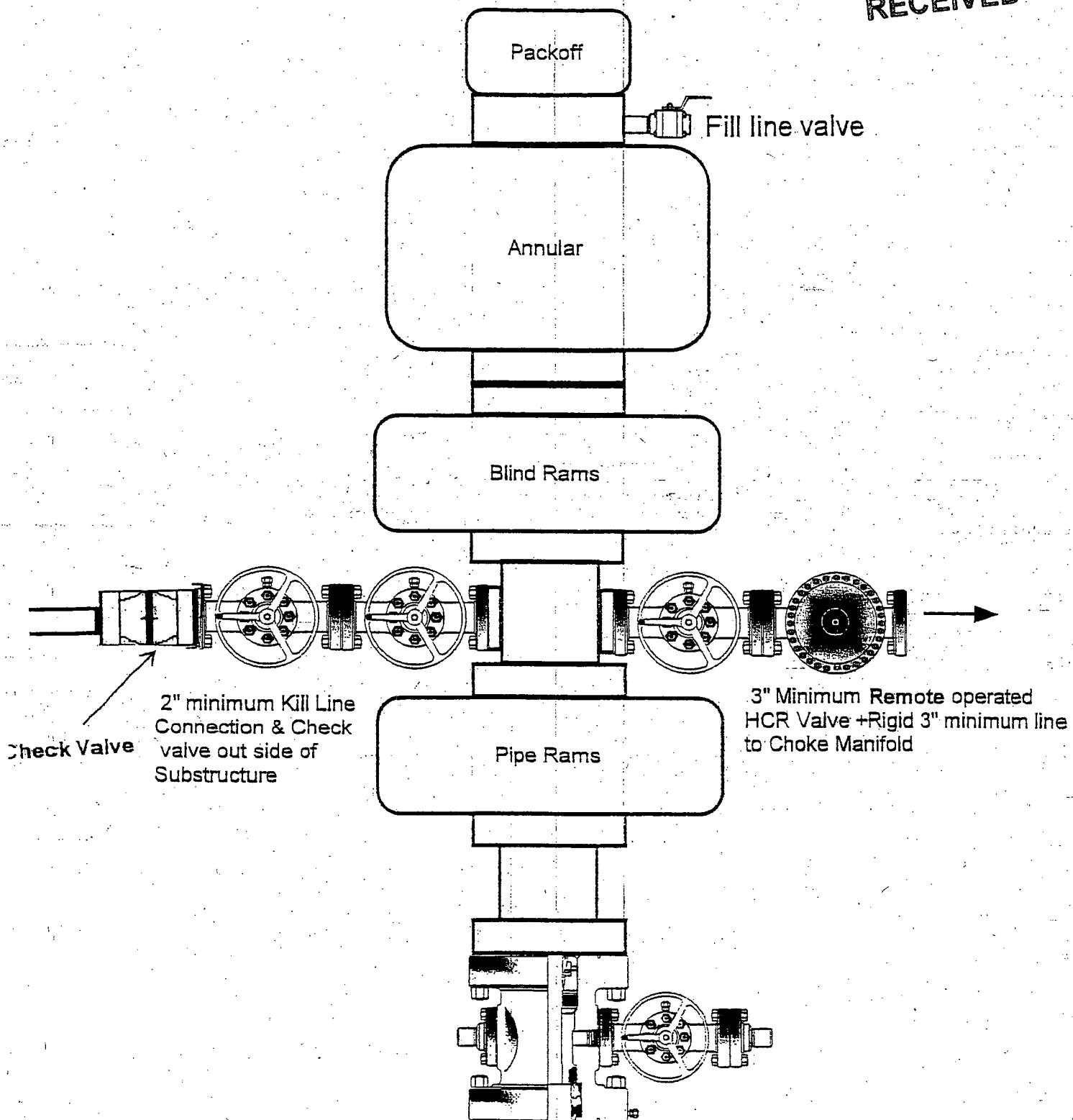
McELVAIN ENERGY, INC.

13 5/8" 3000 PSI

HOBBS OCD

APR 04 2016

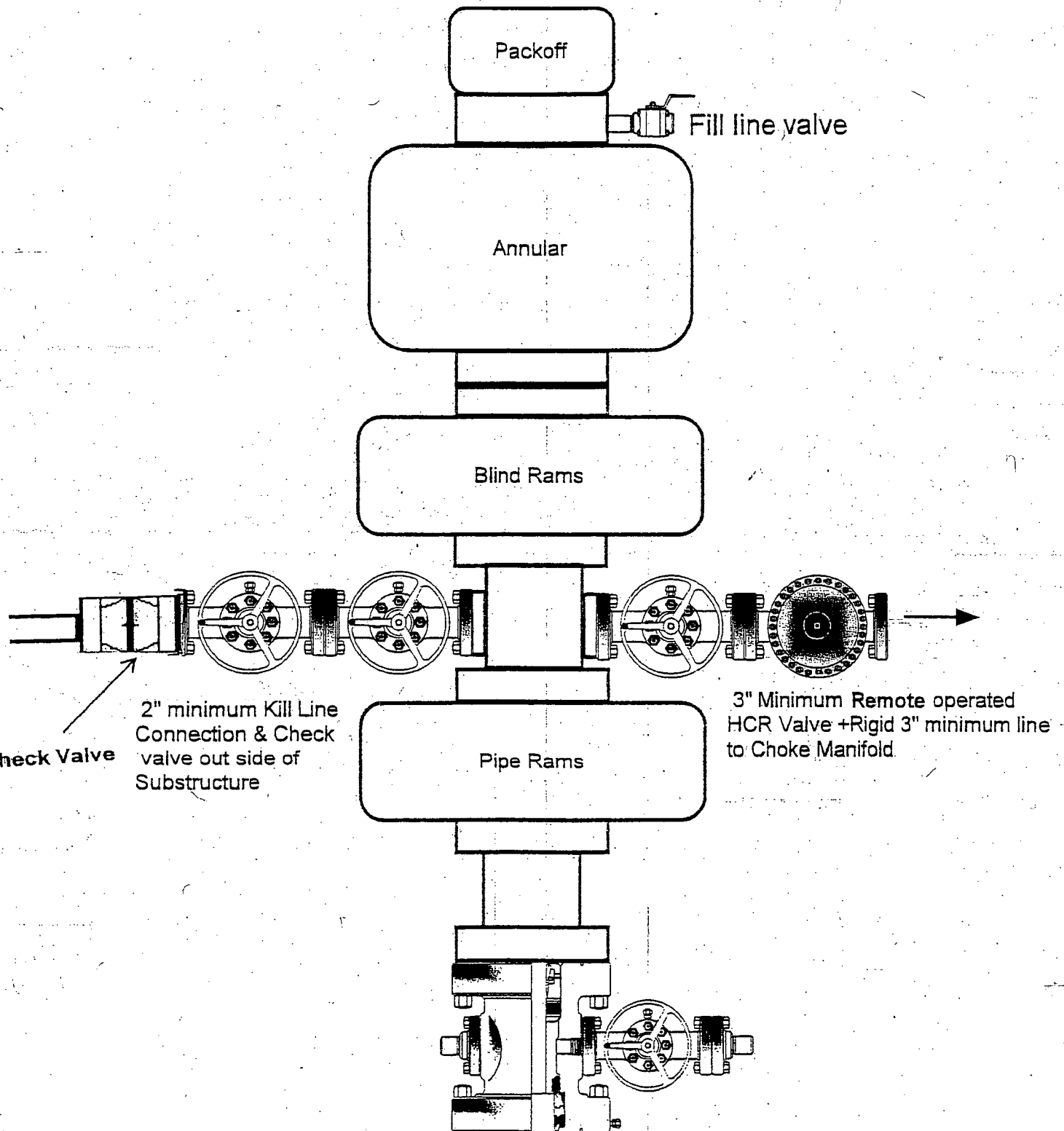
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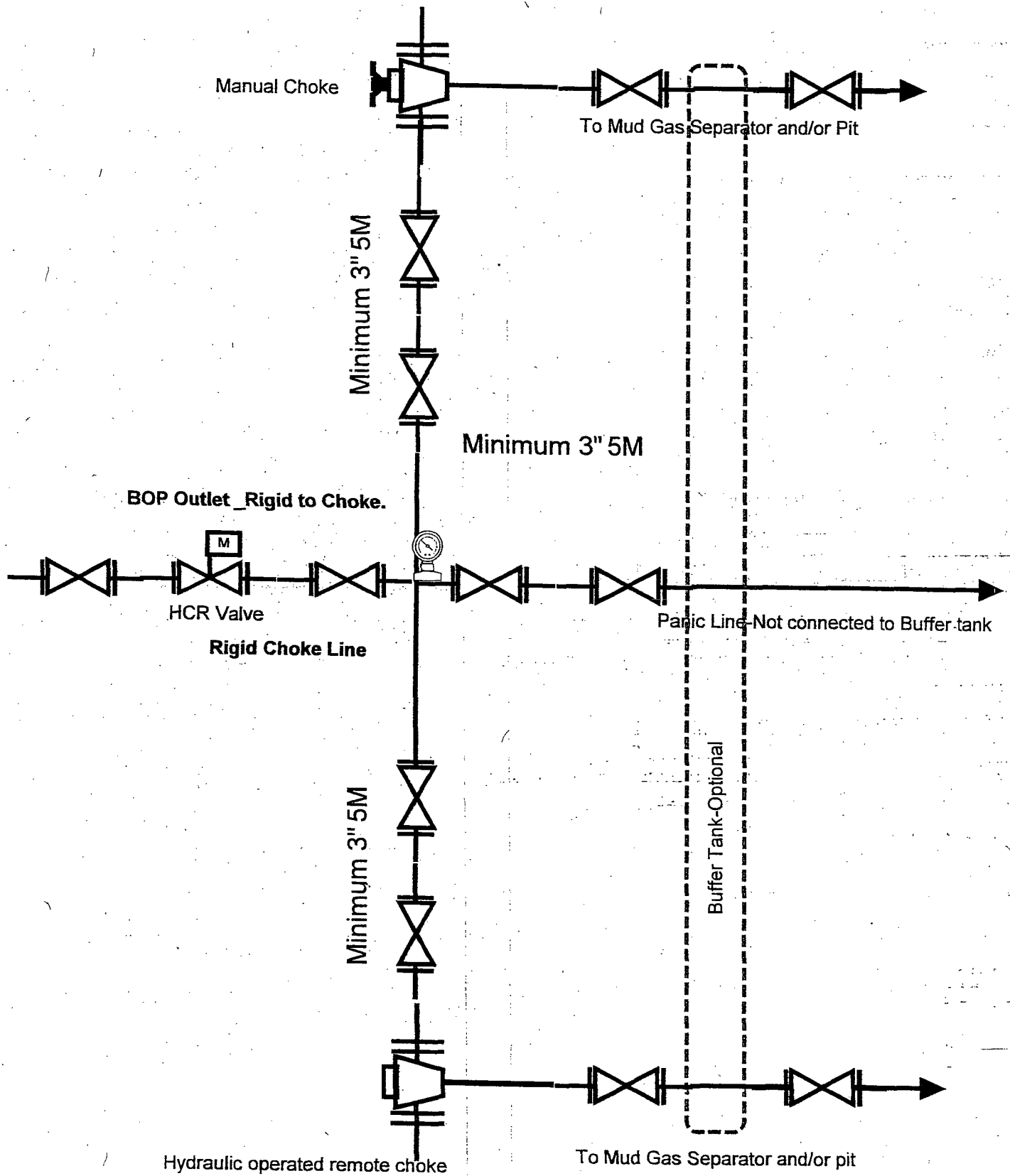
APR 14 2016

McELVAIN ENERGY, INC.

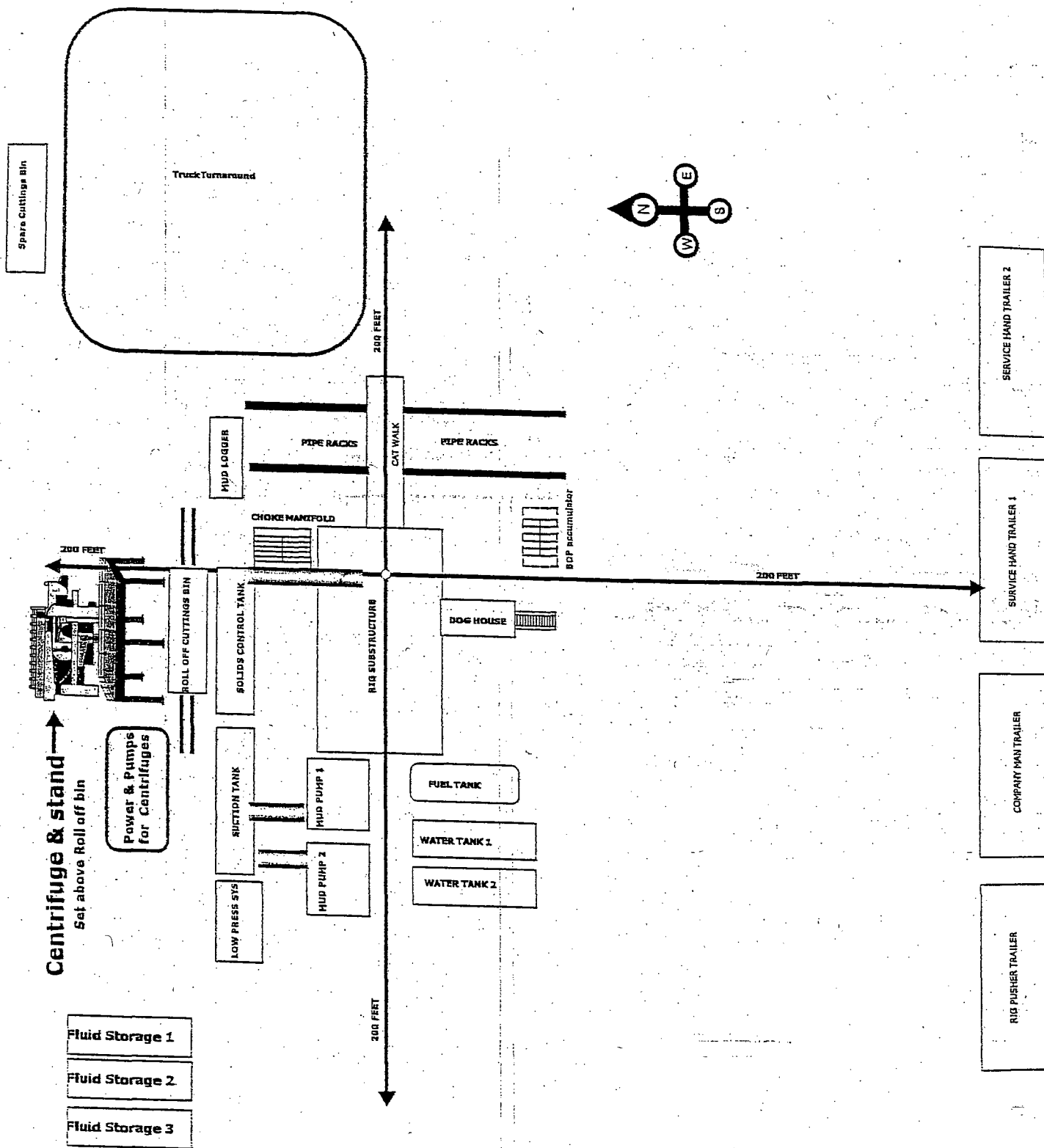
11" 5000 PSI



5,000 psi Manifold Equipment- Configuration of chokes may vary.



Closed Loop Oil Well



Note: The Rig and Closed System Company for this well have not been selected thus the set up shown is simply generic.

HOBBS OCD

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Operations and Maintenance Plan

Closed Loop equipment will be inspected and monitored closely on a daily basis by each drilling rig Tour and by those hired specifically to operate the equipment. Any leak or release detected will be repaired immediately and the proper NMOCD official will be notified within the 48 hr requirement. A large release will require McELVAIN ENERGY, INC. representatives to contact BLM immediately at the Carlsbad office "575 234 5972" Hobbs "575 393 3612" as well as the NMOCD @ 575 393 6161 as stated by NMOCD rule 116.

Closure Plan

During and after drilling operations, liquids (which apply), all drill cuttings and drilling fluids will be hauled and disposed of at the R-360 disposal (permit number NM 01-0006) located about 30 miles East of Carlsbad, New Mexico. An alternate approved disposal site has been selected Parabo disposal "Sundance" which is 4 miles East of Eunice (permit number NM 01-0003). The Second site would be used in the event of economics or physical problems with R-360 disposal.

SECONDARY
EGRESS

Flare Pit & Wall >

Prevailing
Wind
Direction

North

Mud Logger

Vent lines may be buried to Flare Pit b4 moving equipment on location >

Cuttings Bin Cuttings Bin Roll off
Trucks

Suction Pit Shale Pit / Shaker(s) /
Centrifuge(s) / etc Mud-Gas Separator

100ft Min
150ft Min if it'sMud Storage
Mud PremixMud Pump
Mud PumpOrig Mud Flowline >
Buffer is Optional

Choke Manifold

Light Plant

H₂OH₂O

Parts

Fuel

Lube

Motor Shed

Rig
Substructure

Doghouse

Accum

Pipe Racks

BRIEFING
AREA

ACCESS ROAD

PRIMARY
BRIEFING AREA

Tool Pusher Housing

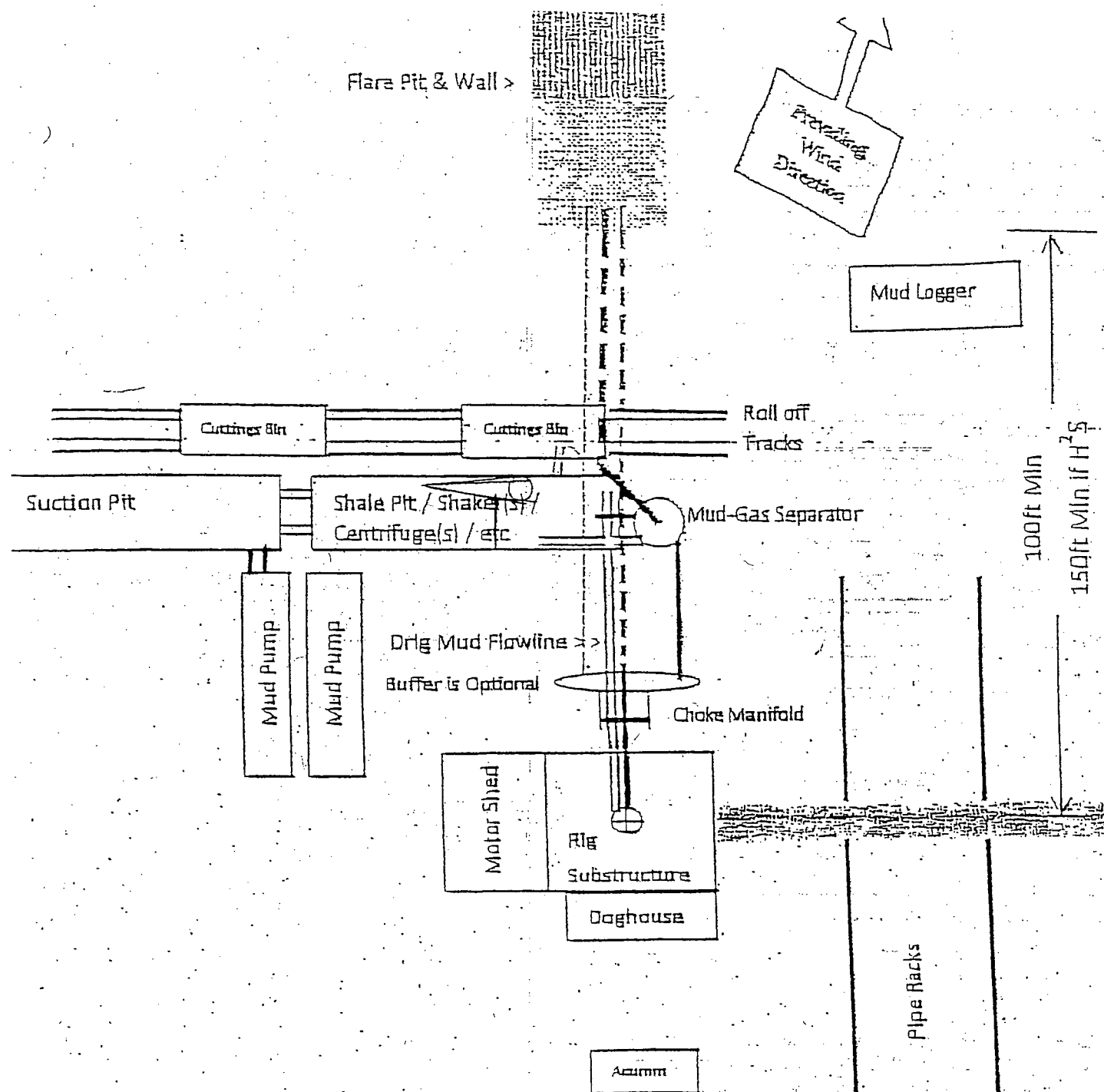
Company Man Housing

SECONDARY
EGRESSGeneric Drill Site
Layout

Preplanning reasonable spacing accommodations for a useable "Closed Loop" drillsite layout is challenging. Particular site specific conflicts need to be resolved. This generic APD plat was prepared to demonstrate several necessary elements. The plat should include: a north arrow, prevailing wind direction, spacing access for truck removal of cutting bins, flare pit location, and piping provision to vent all combustible gas to the flare pit. Include the choke manifold and mud-gas separator location and their connection routing.

EXHIBIT "D"
RIG LAY OUT PLAT

McELVAIN ENERGY, INC.
EK-30 BS2 FEDERAL COM. #4H
UNIT "M" SECTION 30
T18S-R34E LEA CO. NM



EXPANDED VIEW OF
RIG LAYOUT PLAT
FLOWLINES TO MUD-GAS
SEPERATOR AND BLOWDOWN
LINES TO FLARE PIT