

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD HobbsFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM0245247

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

MCELVAIN 4

2. Name of Operator

MCELVAIN ENERGY INC

Contact: TONY G COOPER

E-Mail: TONY.COOPER@MCELVAIN.COM

9. API Well No.

30-025-28997

3a. Address

1050 17TH ST STE 2500
DENVER, CO 80265

3b. Phone No. (include area code)

Ph: 303-893-0933 Ext: 331

10. Field and Pool, or Exploratory

DELAWARE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 25 T18S R33E Mer 6PM

11. County or Parish, and State

LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☒ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

McElvain Energy Inc. (MEI) respectfully requests permission to install ~6200' of SDR 7 poly line to gather the natural gas from 5 vertical wells all residing on BLM Lease #245247, and route the gas to the McElvain #4 well pad for enclosed combustion. This request is necessary because the gas transporter, Frontier Field Services, has recently denied McElvain access to the pipeline on six wells (McElvain #4, #5, #6, #7, & #9) due to high nitrogen levels (> 4%) present in the gas stream. The high nitrogen levels render the gas non-marketable. MEI has been working with Frontier on a solution so that gas sales can be resumed. However, no workable solution has been identified at this time.

Due to the low volume of gas produced from these older vertical wells, McElvain would like permission to transport the gas from the McElvain #4, #5, #6, #7, and #9, to an enclosed combustor at the McElvain #4. The combustion portion of the project has already been approved by the BLM

The gathering line will be above ground except where the line crosses the lease Road where we will bury it.

Approx 6200' of 2" SDR 7 &
Approx 3200' of existing 3" SDR 7. (440psi)

11-17-14 Tony Cooper

OK to Approve for BLM Approval 3-2-2017

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #358067 verified by the BLM Well Information System
For MCELVAIN ENERGY INC, sent to the Hobbs

Name (Printed/Typed) JOE KELLOFF

Title VP PRODUCTION & BUSINESS DEVEL

Signature (Electronic Submission)

Date 11/15/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **