

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON CARLSBAD FIELD OFFICE
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.
OCD Hobbs

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: UNKNOWN OTH		5. Lease Serial No. WV 116166
2. Name of Operator MCELVAIN ENERGY INC.		6. If Indian, Allottee or Tribe Name
3a. Address 1050 17TH ST STE. 2500 DENVER, CO 80265		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 303-893-0933 Ext: 331		8. Well Name and No. EK 30 BS2 FEDERAL COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T18S R34E Mer NMP 175FSL 860FEL		9. API Well No. 30-025-42701
		10. Field and Pool or Exploratory Area EK BONE SPRING
		11. County or Parish, State LEA COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 recompleting 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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. is submitting this sundry in order to receive permission to use a flexible choke hose instead of hard line while drilling this well. The most recent pressure test certification is attached for your review. McElvain and H&P will adhere to all specifications for the hose. The hose documentation and inspection records for the flex hose will be available on-site for your review. Flex Hose SN 54503.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #375646 verified by the BLM Well Information System For MCELVAIN ENERGY INC., sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 05/10/2017 ()	
Name (Printed/Typed) TONY G COOPER	Title SR EHS SPECIALIST
Signature (Electronic Submission)	Date 05/10/2017
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By <u>Mustafa Haque</u>	Title <u>PETROLEUM ENGINEER</u>
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 <u>BUREAU OF LAND MANAGEMENT</u> <u>CARLSBAD FIELD OFFICE</u>
Date <u>6/13/2017</u>	

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.

(Instructions on page 2)

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

KZ

Hydrostatic Test Certificate



ContiTech

Certificate Number 953233	COM Order Reference 953233	Customer Name & Address HELMERICH & PAYNE DRILLING CO 1434 SOUTH BOULDER AVE TULSA, OK 74119 USA
Customer Purchase Order No: 740053080		
Project:		
Test Center Address ContiTech Oil & Marine Corp. 11535 Brittmoore Park Drive Houston, TX 77041 USA	Accepted by COM Inspection Signed: Date: 4/24/17	Accepted by Client Inspection

We certify that the goods detailed hereon have been inspected as described below by our Quality Management System, and to the best of our knowledge are found to conform the requirements of the above referenced purchase order as issued to ContiTech Oil & Marine Corporation.

Item	Part No.	Description	Qty	Serial Number	Work. Press.	Test Press.	Test Time (minutes)
10		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	54503	10,000 psi	15,000 psi	60
20		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	62414	10,000 psi	15,000 psi	60

Certificate of Conformity

ContiTech

Certificate Number 953233	COM Order Reference 953233	Customer Name & Address
Customer Purchase Order No: 740053080		HELMERICH & PAYNE DRILLING CO 1434 SOUTH BOULDER AVE TULSA, OK 74119 USA
Project:		
Test Center Address	Accepted by COM Inspection	Accepted by Client Inspection
ContiTech Oil & Marine Corp. 11535 Brittmoore Park Drive Houston, TX 77041 USA	Signed: Roger Suarez Date: 4/21/17	

We certify that the items detailed below meet the requirements of the customer's Purchase Order referenced above, and are in conformance with the specifications given below.

Item	Part No.	Description	Qty	Serial Number	Specifications
10		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	54503	ContiTech Standard
20		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	62414	ContiTech Standard

54503

JOB# 88300400850
PBC# 957233
HOSE DESCRIPTION: 3" 1500' CHOKER KILLY 35 II
TEST PRESSURE: 15,000 PSI
CHART RECORDER # 2446 BUREAU
CHART SETTING: 267112
CNC REPRESENTATIVE: Janner
DATE: 4-20-17

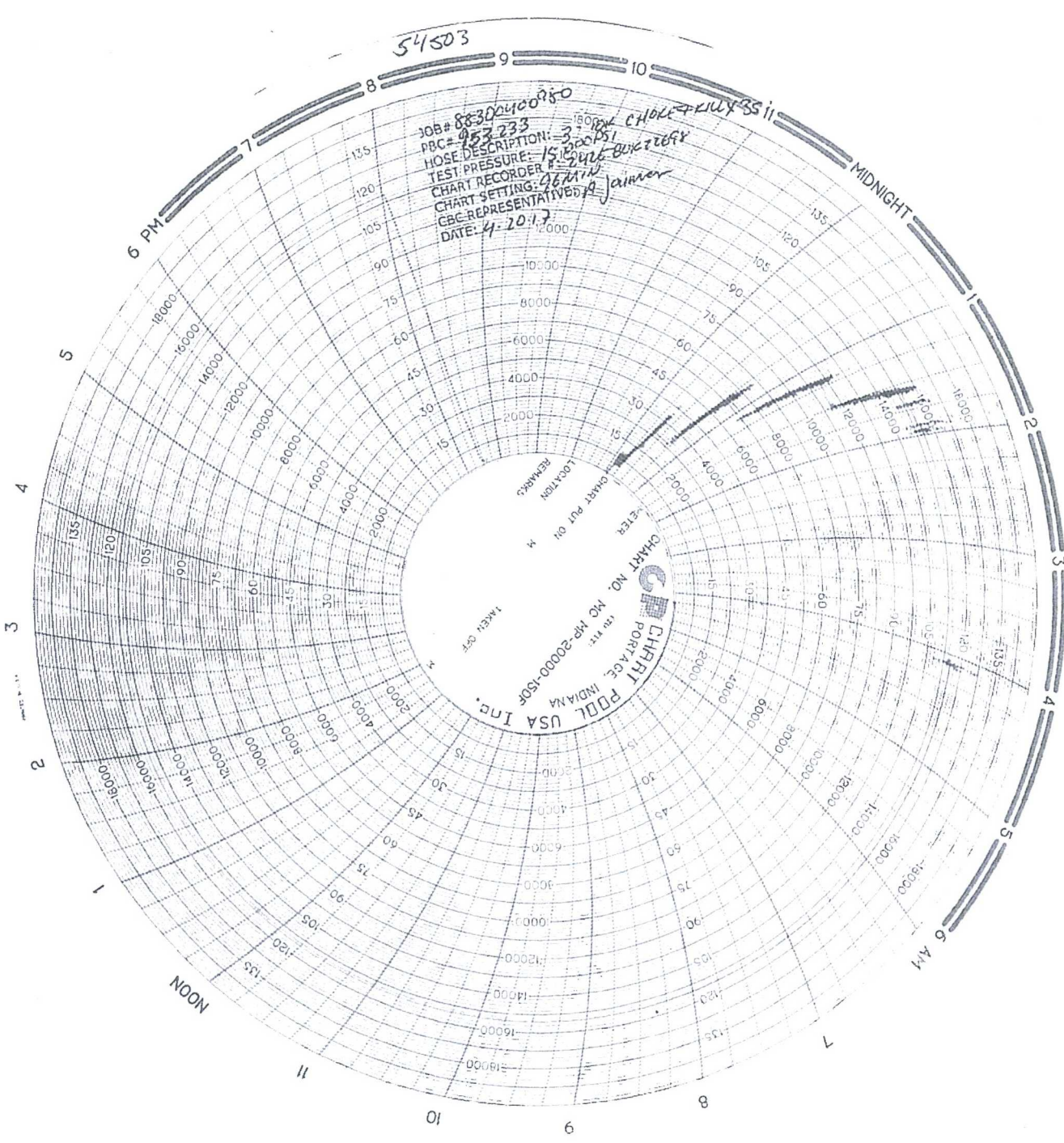


CHART NO. MC HP-20000-150F
PORTAGE INDIANA
CHART PUT ON
LOCATION
REMARKS
TAPE SET

Hose Inspection Report

ContiTech Oil & Marine

Customer	Customer Reference #	COM Reference #	COM Inspector	Date of Inspection
H&P Drilling	740053080	953233	A. Jaimes	04/20/2017

Hose Manufacturer	Contitech Rubber Industrial
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Hose Serial #	54503	Date of Manufacture	01/2009
Hose I.D.	3"	Working Pressure	10000PSI
Hose Type	Choke and Kill	Test Pressure	15000PSI
Manufacturing Standard	API 16C		

Connections

End A: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange	End B: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange
• No damage	• No damage
Material: Carbon Steel	Material: Carbon Steel
Seal Face: BX155	Seal Face: BX155
Length Before Hydro Test: 35'	Length After Hydro test: 35'

Conclusion: Hose #54503 passed the external inspection with no damage to the hose armor. Internal borescope of the hose showed no damage to the liner. Hose #54503 passed the hydrostatic pressure test by holding a pressure of 15,000PSI for 60 minutes. Hose #54503 is suitable for continued service.

Recommendations: In general the hose should be inspected on a regular on-going basis. The frequency and degree of the inspection should as a minimum follow these guidelines:

Visual inspection: Every 3 to 6 months (or during installation/removal)
 Annual: In-situ pressure test (in addition to the 3 to 6 monthly inspections)
 Initial 5 years service: Major inspection
 2nd Major inspection: Following subsequent 3 year life cycle
 (Detailed description of test regime available upon request, QCP 206-1)

****NOTE:** There are a number of critical elements in the hose that cannot be thoroughly checked through standard inspection techniques. Away from dissecting the hose body, the best way to evaluate the condition of the hose is through review of the operating conditions recorded during the hose service life, in particular maximums and peak conditions.

Issued By: Alejandro Jaimes
 Date: 04/21/2017

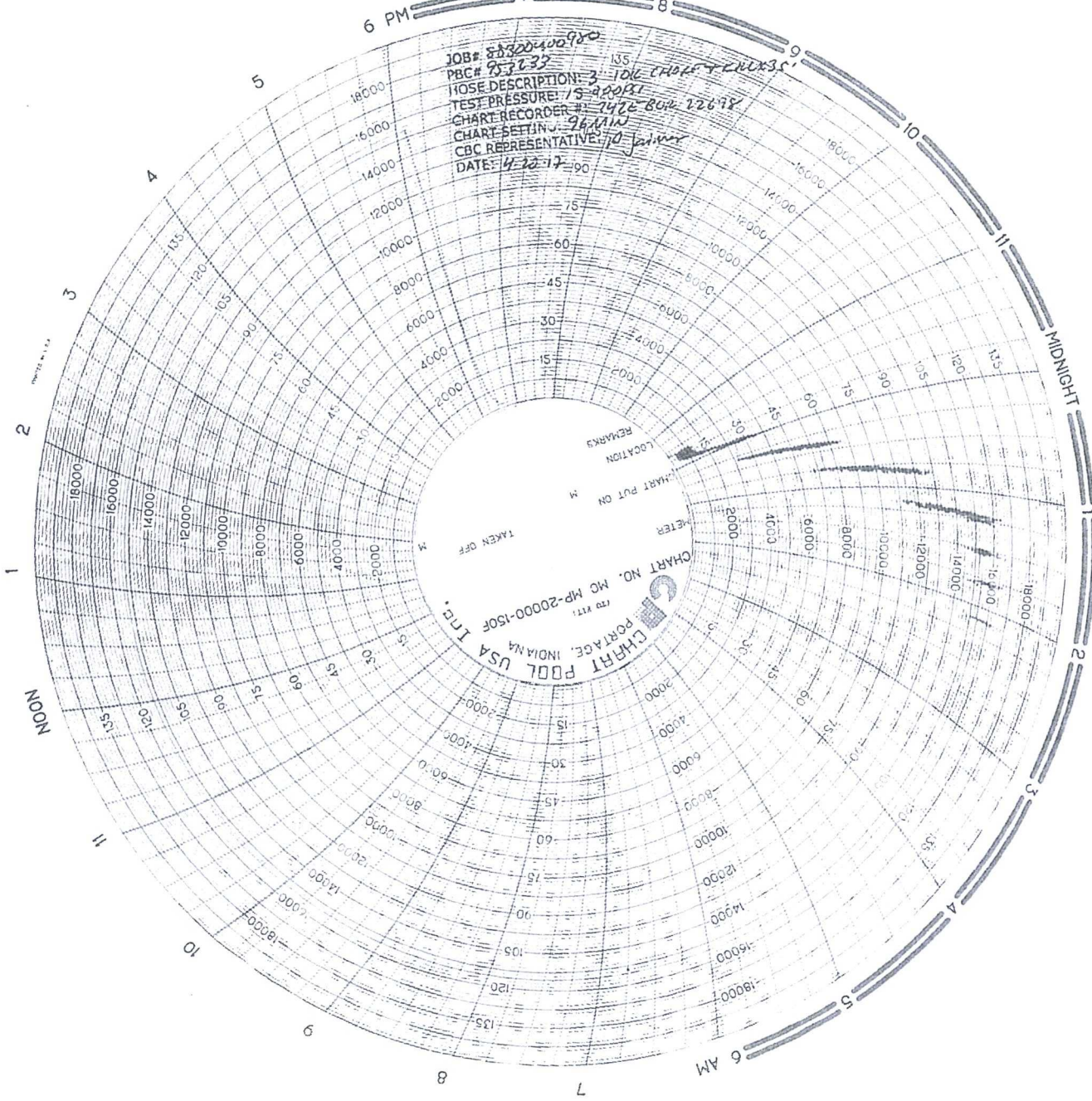
Checked By: Gerson Mejia-Lazo
 Date: 04/21/2017

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62414

6 PM

JOB# 88320400980
PBC# 753232
HOSE DESCRIPTION: 3" 106' CHART Y-KHX35
TEST PRESSURE: 15-4200 PSI
CHART RECORDER # 2422 BUA 22678
CHART SETTING: 26 MIN
CBC REPRESENTATIVE: J.D. Janner
DATE: 4-22-77



REMARKS
LOCATION
METER
CHART PUT ON
TAKEN OFF

Hose Inspection Report

ContiTech Oil & Marine

Customer	Customer Reference #	COM Reference #	COM Inspector	Date of Inspection
H&P Drilling	740053080	953233	A. Jaimes	04/20/2017

Hose Manufacturer	Contitech Rubber Industrial
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Hose Serial #	62414	Date of Manufacture	06/2012
Hose I.D.	3"	Working Pressure	10000PSI
Hose Type	Choke and Kill	Test Pressure	15000PSI
Manufacturing Standard	API 16C		

Connections

End A: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange	End B: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange
• No damage	• No damage
Material: Carbon Steel	Material: Carbon Steel
Seal Face: BX155	Seal Face: BX155
Length Before Hydro Test: 35'	Length After Hydro test: 35'

Conclusion: Hose #62414 passed the external inspection with no damage to the hose armor. Internal borescope of the hose showed no damage to the liner. Hose #62414 passed the hydrostatic pressure test by holding a pressure of 15,000PSI for 60 minutes. Hose #62414 is suitable for continued service.

Recommendations: In general the hose should be inspected on a regular on-going basis. The frequency and degree of the inspection should as a minimum follow these guidelines:

Visual inspection: Every 3 to 6 months (or during installation/removal)
 Annual: In-situ pressure test (in addition to the 3 to 6 monthly inspections)
 Initial 5 years service: Major inspection
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 (Detailed description of test regime available upon request, QCP 206-1)

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 Date: 04/21/2017

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PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	McElvain Energy, Inc.
LEASE NO.:	NMNM116166
WELL NAME & NO.:	1H-EK 30 Federal BS2 Com
SURFACE HOLE FOOTAGE:	175'/S & 860'/E
BOTTOM HOLE FOOTAGE:	510'/N & 660'/E
LOCATION:	Section 30, T. 18 S., R. 34 E., NMPM
COUNTY:	Lea County, New Mexico

All previous COAs still apply, except for the following:

1. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

MHH 06132017