AFMSS

U.S. Department of the interior BUREAU OF LAND MANAGEMENT SUPO Data Report 06/22/2017

APD ID: 10400009753 Submission Date: 02/03/2017

Operator Name: MCELVAIN ENERGY INC.

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Well Type: OIL WELL Well Work Type: Orill

Section 1 - Existing Roads

OCD - HOBBS 06/26/2017 Will existing roads be used? YES RECEIVED

Existing Road Map:

01. Access Road EK 31 BS2 Federal COM 1H_01-10-2017.pdf

02. Access and Topo EK 30 BS2 Federal COM 2H_01-31-2017.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT Row(s) Exist? YES

ROW ID(s)

ID: NMNM-135054

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

02. Access and Topo EK 31 BS2 Federal COM 1H _01-10-2017.pdf

Access Road EK 30 BS2 Fed COM 2H_01-31-2017.pdf

02.__Road_Re_route_EK_31_BS2_05-19-2017.pdf

New road type: RESOURCE

Length: 375 Feet Width (ft.): 30

Max slope (%): 2 Max grade (%): 5

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s): New road travel width: 14

New road access erosion control: Erosion control methods may include but are not limited to the following: Re-vegetating the disturbed areas as soon as practical, and the addition of straw wattles, hay bales, silt fences, water bars, or wing ditches, as needed.

New road access plan or profile prepared? NO

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoll source: ONSITE

Access surfacing type description: Native Material and Caliche

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: Before road construction begins, the topsoil will be stripped from the access road corridor to either side of the road and wind-rowed temporarily. The topsoil will then be evenly distributed on the "out slope" areas of the borrow ditches and re-seeded.

Access other construction information: This pad and access were previously approved for the EK 30 BS2 Federal COM #1H well. Note that the existing access route cuts through the comer of the well pad and will need to be re-routed (temporarily) around the edge of the pad. Once interim reclamation has taken place, this segment of road will be put back to it's original alignment. See reclamation diagram attached.

Access miscellaneous Information: Directions to Location: From the intersection of US 62 and State Highway 529, West of Hobbs, New Mexico, take Highway 529 west to mile marker 17. Turn left (South) on to lease road and follow road 1.2 miles. Bear right (Southwest and travel 1.8 miles to location on the East side of the road. Turn left (East) and travel 1.1 miles. Bear left (Northeast) and travel 0.4 miles. Turn right (Southwest) and travel 0.5 miles to location.

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: CULVERT,LOW WATER

Drainage Control comments: Culverts will be placed in the access roads as drainage conditions require. Roads will be constructed to use low water crossings for drainage as topographic features required to keep erosion to a minimum. Drainage structures or drainage dips should be placed in all natural drainage ways. Where necessary, wing ditches may be constructed to divert excess water from the roadway into the surrounding range land.

Road Drainage Control Structures (DCS) description: Culverts and low water crossings will be constructed where necessary along the route to keep erosion to a minimum

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

03. Existing Wells EK 31 BS2 Federal COM 1H 01-10-2017.pdf

Existing Wells description:

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Estimated Production Facilities description:

Production Facilities description: Note: The electric power infrastructure for the well pad has already been approved as part of the APO permit for the EK 30 BS2 Federal Com 1H well. No additional power lines will be required for this portion of the project. If the well is a producer, the following facilities will be constructed on the drill pad: 2 - 250# 3-phase horizontal 6' x 10' separators 1 - 125# 8' x 20' Heater Treater 4 - 1000 bbl. cil tanks (21'6" x 16') 2 - 1000 bbl. water tanks (21'6" x 16') 1 - Vapor Recovery Tower 1 - Vapor Recovery Unit 1 - 125# 30" x 10' Flare Scrubber 1 - 3" x 25' Stage 2 Flare 1 - 60" Cimarron Combustor 2 - Micro Motion Corlolis Oil Flow Meters 2 - Mag-Meter Water Flow Meters 1 - Common Targa Gas Sales Meter 1 - Transfer Pump 2 - Well Heads

Production Facilities map:

04.__Production_Facility_Layout_5_11_17_05-19-2017.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: DUST CONTROL,

INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE

CASING

Describe type:

Source longitude:

Water source type: GW WELL

Source (atitude:

Source datum:

Water source permit type: PRIVATE CONTRACT, WATER WELL

Source land ownership: FEDERAL

Water source transport method: PIPELINE, TRUCKING

Source transportation land ownership: FEDERAL

Water source volume (barrels): 160000 Source volume (acre-feet): 20.622896

Source volume (gal): 6720000

Water source use type: DUST CONTROL, Water source type: GW WELL

INTERMEDIATE/PRODUCTION CASING, STIMULATION, SURFACE

CASING

Describe type: Source longitude:

Source latitude:

Source datum:

Water source permit type: PRIVATE CONTRACT, WATER WELL

Source land ownership: PRIVATE

Water source transport method: TRUCKING

Source transportation land ownership: PRIVATE

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Water source volume (barrels): 160000

Source volume (acre-feet): 20.622896

Source volume (gal): 6720000

Water source and transportation map:

05.Water Source Route_01-31-2017.pdf

Water source comments: Fresh water used for drilling and fracturing operations will be produced from a McElvain owned exploratory water well (McElvain Energy Water Well 29) that is currently in the process of acquiring appropriations from the NMOSE. The McElvain water well is located in the NW/4 of Section 29 T18S- R34E. If appropriations for the fresh water from the McElvain well are not successful then the fresh water will be purchased locally from the Caviness fresh water station located in the NW SE Sec. 10, T18S - R33E. The water may be transported by truck or piped to the well pad through the use of 2" above ground HDPE poly lines.

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Agulfer documentation:

Well depth (ft):

Well casing type;

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment;

Section 6 - Construction Materials

Construction Materials description: If possible, construction material will be obtained from the leveling of the drill site. Additional caliche (if necessary) will either be purchased locally from Kenneth Smith Ranch or McElvain may have its own source from the excavation of a proposed produced water recycle containment facility in section 25 18S 33E. If additional material is required, it will be obtained from a local source and transported over access roads shown on Attachment A. Construction Materials source location attachment:

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Drilling mud.

Amount of waste: 9845

barrels

Waste disposal frequency: Daily

Safe containment description: Portable bins/ containers.

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: Trucked to R360 (Halfway Disposal, 6601 Hobbs HWY, Hobbs, NM 88220) an approved

disposal facility.

Waste type: DRILLING

Waste content description: Drill cuttings.

Amount of waste; 87264

gallons

Waste disposal frequency : One Time Only

Safe containment description: Portable steel bins/ containers.

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: Trucked to R360 (Halfway Disposal, 6601 Hobbs HWY, Hobbs, NM 88220) an approved

disposal facility.

Waste type: COMPLETIONS/STIMULATION

Waste content description: Frac sand/ proppant.

Amount of waste: 500

pounds

Waste disposal frequency : One Time Only

Safe containment description: Storage containers,

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: FEDERAL

FACILITY

Disposal type description:

Disposal location description: Trucked to Lea County Landfill (3219 East State Road, Eunice, NM 88231) an approved

disposal facility.

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Waste type: FLOWBACK

Waste content description: Produced water.

Amount of waste: 1200

barrels

Waste disposal frequency : Daily

Safe containment description: Portable steel storage tanks.

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: Trucked to Clearwater LLC, South Vacuum #274 (025-37122) (32.71388-103.43892 Lea

County, NM) an approved disposal facility.

Waste type: SEWAGE

Waste content description: Sewage

Amount of waste: 3000 gallons

Waste disposal frequency: Weekly

Safe containment description: Stored in poly tanks on location.

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: Trucked to City of Hobbs Waste Disposal (1500 South 5th Street, Hobbs, NM 88240) and

approved disposal facility,

Waste type: GARBAGE

Waste content description: Commercial trash accumulated during drilling operations.

Amount of waste: 5000

000 pounds

Waste disposal frequency: Monthly

Safe containment description: Stored in covered trash bins on location.

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: Trucked to Lea County Landfill (3219 East State Road 176, Eunice, NM 88231) an approved

disposal facility.

Waste type: PRODUCED WATER

Waste content description: Produced water.

Amount of waste: 1300 barrels

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Safe containment description: Permanent steel storage tanks at facility.

Safe containment attachment:

Waste disposal type: HAUL TO COMMERCIAL Disposal location ownership: PRIVATE

FACILITY

Disposal type description:

Disposal location description: Trucked to Clear Water, LLC South Vacuum #274 (025-37122) (32,71388-103,43892 Lea

County, NM) an approved disposal facility.

Reserve Pit

Reserve Plt being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? YES

Description of cuttings location Cuttings will be stored in steel tanks on location and hauled to a commercial disposal facility.

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and Installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Section 9 - Well Site Layout

Well Site Layout Diagram:

09._Pad_Layout_Cut_and_Fill_Diagram_05-19-2017.pdf

Comments: The well site will be constructed 350' long and 330' wide to accommodate the drilling of 3 wells from this pad.

Section 10 - Plans for Surface Reclamation

Type of disturbance: NEW

Recontouring attachment:

10.__Reclamation_Diagram_EK_30__31_BS2_2H__1H_5_9_17_05-19-2017.pdf

Drainage/Erosion control construction: Best efforts will be made to re-contour and reestablish pre-disturbance drainage systems and flow of storm water.

Drainage/Erosion control reclamation: The location is relatively flat and additional erosion control features are not anticipated. However, if needed, berms, or straw waddles could be incorporated around the perimeter of the pad,

Wellpad long term disturbance (acres): 2.4

Wellpad short term disturbance (acres): 2.4

Access road long term disturbance (acres): 0.26

Access road short term disturbance (acres); 0.26

Pipeline long term disturbance (acres): 0

Pipeline short term disturbance (acres): 0

Other long term disturbance (acres); 0

Other short term disturbance (acres): 0

Total long term disturbance: 2.66

Total short term disturbance; 2.66

Reconstruction method: Rehabilitation of unneeded, previously disturbed areas will consist of backfilling, back sloping and contouring all cut/fill slopes, These areas will be re-seeded.

Topsoli redistribution: Only 50% of the topsoil will be placed back on the reclaimed areas, Topsoil will be re-spread and revegetated over the entire disturbed area not needed for all-weather operations including road cuts/fills. Any remaining topsoil not utilized during interim reclamation will be stockpiled in a low pile. The topsoil storage stockpile will be not exceed 2' in height for aesthetic and seeding purposes. It will be stored for final reclamation near the perimeter of the pad. Re-vegetation will be accomplished by planting mixed grasses as specified by the Bureau of Land Management. For the protection of the topsoil, interim reclamation will not occur until all proposed wells have been drilled from this pad.

Soll treatment: No soil treatments are anticipated at this time.

Existing Vegetation at the well pad: Vegetation at the wellsite consists of native grasses and shrubs.

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: Native grasses and shrubs

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: N/A

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances; N/A

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Spediling transmisset description:

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

| Seed | Mana | gement |
|------|------|--------|
| | | |

Seed Table

Seed type: Seed source:

Seed name:

Source name: Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre; Proposed seeding season:

Pounds/Acre

Seed Summary

Total pounds/Acre:

Seed Type

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Tony Last Name: Cooper

Phone: (303)893-0933 Email: tony.cooper@mcelvain.com

Seedbed prep: Initial seedbed preparation will consist of backfilling, leveling, and ripping all compacted areas. Final seedbed preparation will consist of recontouring and cultivating along the contours to a depth of 4 to 6 inches within 24 hours prior to seeding. Seeding will be conducted no more than 24 hours following completion of final seedbed preparation. The seed mix will be used on all disturbed surfaces including pipelines and road cut/fill slopes.

Seed BMP: Seeding the access road, pipeline, or any reclaimed surfaces will occur in early spring or immediately after seedbed preparation when ideal seed germination conditions are expected. An early spring seeding (March 15-May 10) is preferred. Fall seedings, after October 20th may be accomplished if agreed to by the Bureau of Land Management. Seed method: Seed will be drilled on the contour with a seed drill equipped with a depth regulator in order to ensure even depths of planting. Seeding depth will be maintained between ½ to ½ inch deep. The seed bed should be firmly packed (footprints left in the soil should be less than ½ inch deep). A drill designed specifically for native grass seeding will give the best seeding results. The seed should be planted at a depth of ½ to 1 inch. Precaution must be taken not to plant the seed too deeply in the soil or poor germination will result.

Existing invasive species? NO

Existing invasive species treatment description:

Well Name: EK 31 BS2 FEDERAL COM Well Number: 1H

Weed treatment plan description: Noxious Weeds: Noxious weeds that have been identified during monitoring will be promptly treated and controlled.

Weed treatment plan attachment:

Monitoring plan description: Weed Monitoring: A weed monitoring and control program will be implemented beginning the first growing season after the location is built and interim and final reclamation.

Monitoring plan attachment:

Success standards: Success Standards: Reclamation will be considered successful if the following criteria are met: - 80 percent of pre-disturbance cover; at that time a Sundry Notice will be filed requesting final abandonment status for the well. **Pit closure description:** N/A - There will be no pit since this well will be drilled utilizing a closed loop system.

Pit closure attachment:

Section 11 - Surface Ownership

| Disturbance type: NEW ACCESS ROAD |
|--|
| Describe: |
| Surface Owner: BUREAU OF LAND MANAGEMENT |
| Other surface owner description: |
| BIA Local Office: |
| BOR Local Office: |
| COE Local Office: |
| DOD Local Office: |

State Local Office:

NPS Local Office:

Military Local Office: USFWS Local Office:

Other Local Office:

USF\$ Region:

USFS Forest/Grassland:

USFS Ranger District;

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description;

BIA Local Office:

Operator Name: MCELVAIN ENERGY INC
Well Name: EK 31 BS2 FEDERAL COM

COE Local Office:

DOD Local Office:

NPS Local Office:
State Local Office:

Military Local Office:
USFWS Local Office:
Other Local Office:

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

USFS Ranger District:

ROW Type(s):

USFS Region:

USFS Forest/Grassland:

ROW Applications

SUPO Additional Information: Approved APD: McElvain Energy Inc. will provide the dirt contractor with an approved copy of the Onshore Order No. 1: Permit to Drill, along with a copy of the Mitigation Measures and Conditions of Approval supplied by the Bureau of Land Management. Construction operations may be suspended if the contractor fails to have these documents on site. Rig Release: McElvain Energy, Inc. shall notify the appropriate Bureau of Land Management office of the rig release date within two working days of that date. Archeology: A Class III Archeological Survey has been conducted by Doralene Sanders of SNMAS Inc. A copy of this report has been submitted to the appropriate agencies directly by Doralene Sanders. The operator shall immediately notify the BLM if unexpected cultural resources are observed and shall avoid operations that would result in destruction of these resources.

Use a previously conducted onsite? YES

Previous Onsite information: An onsite inspection was performed on November, 2014 with Trishia Bad Bear.

Other SUPO Attachment

- 12. Waste Minimization Plan Venting and Flaring_01-31-2017.pdf
- 12. Letter to Targa_02-03-2017.pdf
- 12. SUPO EK 30 and 31 BS2 Federal COM 02-03-2017,pdf