

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

Form C-129  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

NFO Permit No. \_\_\_\_\_  
(For Division Use Only)

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant \_\_\_\_\_ McElvain Energy Inc.  
whose address is \_1050 17<sup>th</sup> Street Ste 2500, Denver CO, 80265\_\_\_\_\_ hereby requests an exception to Rule 19.15.18.12 for \_\_\_\_\_ 180 / 90 days or until \_\_\_\_\_, Yr \_\_\_\_\_, for the following described tank battery (or LACT):  
Name of Lease: \_\_\_\_\_ McElvain #5 (025-29051) Name of Pool \_EK Bone Springs\_\_\_\_\_  
Location of Battery: Unit Letter \_\_\_\_M\_\_ Section \_\_25\_\_ Township \_\_18S\_\_ Range \_\_33E\_\_ Number of wells producing into battery \_\_\_\_\_
- B. Based upon oil production of \_\_\_\_\_ 23 \_\_\_\_\_ barrels per day, the estimated \* volume  
of gas to be flared is \_\_\_\_\_ 46 \_\_\_\_\_ MCF; Value \_\_\_\$127\_\_\_\_\_ per day.
- C. Name and location of nearest gas gathering facility:  
  
Frontier Field Services \_\_\_\_\_
- D. Distance \_\_\_Meter at site\_\_\_\_\_ Estimated cost of connection \_Connected/Non-Marketable Gas\_\_\_
- E. This exception is requested for the following reasons: Continued crude oil recovery \_\_\_\_\_

Frontier Field Services, has denied McElvain access to the pipeline on six wells (McElvain #2, #5, #6, #7, #8, & #9) due to high nitrogen levels (> 4%) present in the gas stream. Since that time, MEI has been working with Frontier on a solution to the high nitrogen issue so gas sales can be resumed. However, no workable solution has been identified at this time. Therefore, MEI is requesting permission to combust a volume of approximately 28 Mcfd until which time Frontier Field Services can resume transportation, or MEI can find an alternate transporter, whichever happens first.

## OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Tony Cooper

Printed Name  
& Title TONY COOPER - SR EHS SPECIALIST

E-mail Address [TONYC@MCELVAIN.COM](mailto:TONYC@MCELVAIN.COM)

## OIL CONSERVATION DIVISION

Approved Until 12/18/2016

By Madeira Brown

Title Dist. Supervisor

Date 9/19/2016