

Carlsbad Field Office

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-245247	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name -----	
2. Name of Operator McELVAIN ENERGY, INC. (22044)		7. If Unit or CA Agreement, Name and No. -----	
3a. Address 1050 17th STREET SUITE 2500 DENVER COLORADO 80265-2080		8. Lease Name and Well No. (315045) EK 29 BS2 FEDERAL COM. #2H	
3b. Phone No. (include area code) 303-893-0933		9. API Well No. 30-025-43676	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 210' FNL & 1450' FEL SECTION 29 T18S-R34E NEW MEXICO At proposed prod. zone 510' FSL & 1980' FEL SECTION 29 T18S-R34E NM		10. Field and Pool, or Exploratory EK_BONE SPRING (21650)	
14. Distance in miles and direction from nearest town or post office* Approximately 28 miles West of Hobbs New Mexico		12. County or Parish LEA CO.	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 210'	16. No. of acres in lease 1111	17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1900'	19. Proposed Depth TVD-10,050' MD-14,795'	20. BLM/BIA Bond No. on file COB-000010	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4050' GL	22. Approximate date work will start* WHEN APPROVED	23. Estimated duration 35 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

5. Signature <i>Joe T. Janica</i>	Name (Printed/Typed) Joe T. Janica	Date 05/02/16
6. Signature <i>Cody Layton</i>	Name (Printed/Typed) Cody Layton	Date 03/07/17
7. Title Permit Engineer	Office BLM-CARLSBAD FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Under 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.

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APPROVAL
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

SEE ATTACHED FOR
CONDITIONS OF APPL

Capitan Controlled Water Basin

*(Instructions on page 2)

KZ
03/10/17