

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTCarlsbad Field Office  
OCD HobbsFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0245247
2. Name of Operator MCELVAIN ENERGY INC		6. If Indian, Allottee or Tribe Name
3a. Address 1050 17TH STREET SUITE 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 29 BS2 FEDERAL COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T18S R34E NENE 210FNL 1240FEL 32.433102 N Lat, 103.344002 W Lon		9. API Well No. 30-025-43687-00-X1
		10. Field and Pool or Exploratory Area EK-BONE SPRING
		11. County or Parish, State LEA 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	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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 respectfully requesting approval for a Central Tank Battery and Surface Lease Commingle.

The central tank battery will be located on the shared pad for the EK 29 BS2 Fed Com 1H & 2H located in NENE Sec. 29-T18S-R34E. The production from each well will have its own three phase metering separator with Coriolis measurement to meter the oil, flow meter, to meter the water, and natural gas orifice electronic flow meter, to meter the naturalgas. VRU gas production will be allocated back to each well utilizing the percentage of each wells monthly oil production.

The EK 29 BS2 Fed Com 1H & 2H will have four oil tanks that all wells will utilize and they have a

14. I hereby certify that the foregoing is true and correct. Electronic Submission #379184 verified by the BLM Well Information System For MCELVAIN ENERGY INC, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 06/21/2017 (17PP0401SE)	
Name (Printed/Typed) AJ GIBSON	Title FACILITIES ENGINEERING CONSULT
Signature (Electronic Submission)	Date 06/19/2017

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>J. D. 2. Hittlock</i>	Title <i>TLDET</i>	Date <i>7/5/17</i>
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 <i>(FO)</i>

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)

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

*KZ*

**Additional data for EC transaction #379184 that would not fit on the form**

**32. Additional remarks, continued**

common Targa Central Delivery Point (number to be provided upon receipt) meter which is located on the southeast corner of the location. Oil, gas, and water volumes from these wells producing to this battery will be determined by using an individual metering separator per well.

Attached are the required supporting documents as per IM NMPO-2013-02 & 43 CFR 3173.14 for the Central Tank Battery and Surface Lease Commingle request.



## APPLICATION FOR A CENTRAL TANK BATTERY & LEASE COMMINGLE

Central Tank Battery Proposal for the EK 29 Fed Com 1H and 2H Wells:

McElvain Energy, Inc. is requesting approval for the Central Tank Battery and Lease Commingle for the following wells:

Federal Lease: NMNM0245247 & NMNM012277

Well Name	Location	API #	Pool 21650	Oil BOPD	Gravities	MCFPD	BTU
EK 29 BS2 Fed Com 1H	NENE Sec. 29 T18SR34E	30-045-43687	EK; Bone Spring	600*	38*	600*	1350*

30-025-43687

Federal Lease: NMNM0245247 & NMNM012277

Well Name	Location	API #	Pool 21650	Oil BOPD	Gravities	MCFPD	BTU
EK 29 BS2 Fed Com 2H	NENE Sec. 29 T18SR34E	30-045-43686	EK; Bone Spring	600*	38*	600*	1350*

NW

30-025-43676

\*These are proposed totals for these wells; once these wells are drilled the production information will be amended. I will submit production volumes for the EK 29 BS2 Fed Com 1H & 2H upon receipt.

Attached map displays the federal leases and well locations in NENE Sec. 29-T18S-R34E.

Although the Federal royalty rate is the same in both wells (Federal Lease NMNM0245247 and NMNM012277 is 12.5%); there is a 25% private mineral interest in the SESE Sec. 29 T18SR34E associated with the EK 29 BS2 Fed Com 1H well.

Even though the mineral ownership in both wells is different, McElvain Energy Inc. is confident that commingling these wells is in the best interest of the public and meets the requirements set forth in 43 CFR 3173.14 for approval of a CAA.

43 CFR 3173.14 states;

"(2) The operator or operators must provide a methodology acceptable to BLM for allocation among the properties from which production is to be commingled (including a method for allocating produced water), with a signed agreement if there is more than one operator;

(3) For each of the leases, unit PAs, or CAs proposed for inclusion in the CAA, the applicant demonstrates to the AO that a lease, unit PA, or CA proposed for inclusion is producing in paying quantities (or, in the case of Federal leases, capable of production in paying quantities) pending approval of the CAA; and

(4) The FMP(s) for the proposed CAA measure production originating only from the leases, unit PAs, or CAs in the CAA."

Overriding considerations for CAA approval include:

1. Reduced surface disturbance to public lands where additional measurement and production related equipment necessary to achieve non-commingled measurement would have to be located reducing impacts to special status species such as the Lesser Prairie Chicken and the Sand Dunes Lizard.
2. The ability to access and develop all of the available oil and gas resources in the final 25% of the horizontal lateral in the EK 29 BS2 Fed Com 1H well thus reducing the possibility of stranding valuable resources.

### Allocation Methodology:

The central tank battery is located on the shared pad for the EK 29 BS2 Fed Com 1H & 2H located in NENE Sec. 29-T18S-R34E. The production from each well will have its own three phase metering separator with Coriolis to meter the oil, flow meter to meter the water and gas orifice allocation meter to meter the gas. VRU gas production will be allocated back to each well utilizing each wells monthly oil production.

The EK 29 BS2 Fed Com 1H & 2H will have four oil tanks that all wells will utilize and they have a common Targa Central Delivery Point (number to be provided upon receipt) meter which is located on the southeast corner of the location. Oil, gas and water volumes from these wells producing to this battery will be determined by using an individual metering separator per well.

EK 29 BS2 Fed Com 1H production flows to its own three phase metering separator, where after separation gas is routed to the gas orifice allocation meter (number to be provided upon receipt) then to the common Targa Central Delivery Point (number to be provided upon receipt) meter. Produced water and oil are separated; the oil is then metered with a Coriolis meter (number to be provided upon receipt) and combines with the other well's oil into a common heater treater, then into a common production line and to one of the 1000 bbl oil tanks. The water is metered using a flow meter and then flows into a common produced water line and to one of the 1000 bbl produced water tanks. Oil will be sold by truck loadout using manual tank gauging (numbers to be provided upon receipt).

EK 29 BS2 Fed Com 2H production flows to its own three phase metering separator, where after separation gas is routed to the gas orifice allocation meter (number to be provided upon receipt) then to the common Targa Central Delivery Point (number to be provided upon receipt) meter. Produced water and oil are separated; the oil is then metered with a Coriolis meter (number to be provided upon receipt) combines with the other well's oil into a common heater treater, then into a common production line and to one of the 1000 bbl oil tanks. The water is metered using a flow meter and then flows into a common produced water line and to one of the 1000 bbl produced water tanks. Oil will be sold by truck loadout using manual tank gauging (numbers to be provided upon receipt).

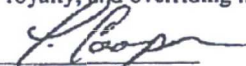
Oil production will be allocated on a daily basis based on the well's individual Coriolis meters. These meter will be proven, as per API, NMOCD and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter, the factor obtained will be used to allocate the production volumes. Oil from both wells will then commingle into a common heater treater then into a common production line and to one of the 1000 bbl oil tanks. Oil will be sold by truck loadout using manual tank gauging (numbers to be provided upon receipt). Gas production will be allocated on a daily basis based on the subtraction method from the common Targa Central Delivery Point (number to be provided upon receipt) meter and the well's individual gas orifice allocation meters. The gas production from the VRU and the well's individual gas orifice allocation meters will commingle and flow through the common Targa Central Delivery Point (number to be provided upon receipt) meter on the southeast corner of the location. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM & OCD will be notified of any future changes in the facility.

#### Process and Flow Descriptions:

Please see the proposed facility diagram for the EK 29 BS2 Fed Com 1H & 2H location. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-02. The proposed commingling will maximize the ultimate recovery of oil and/or gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

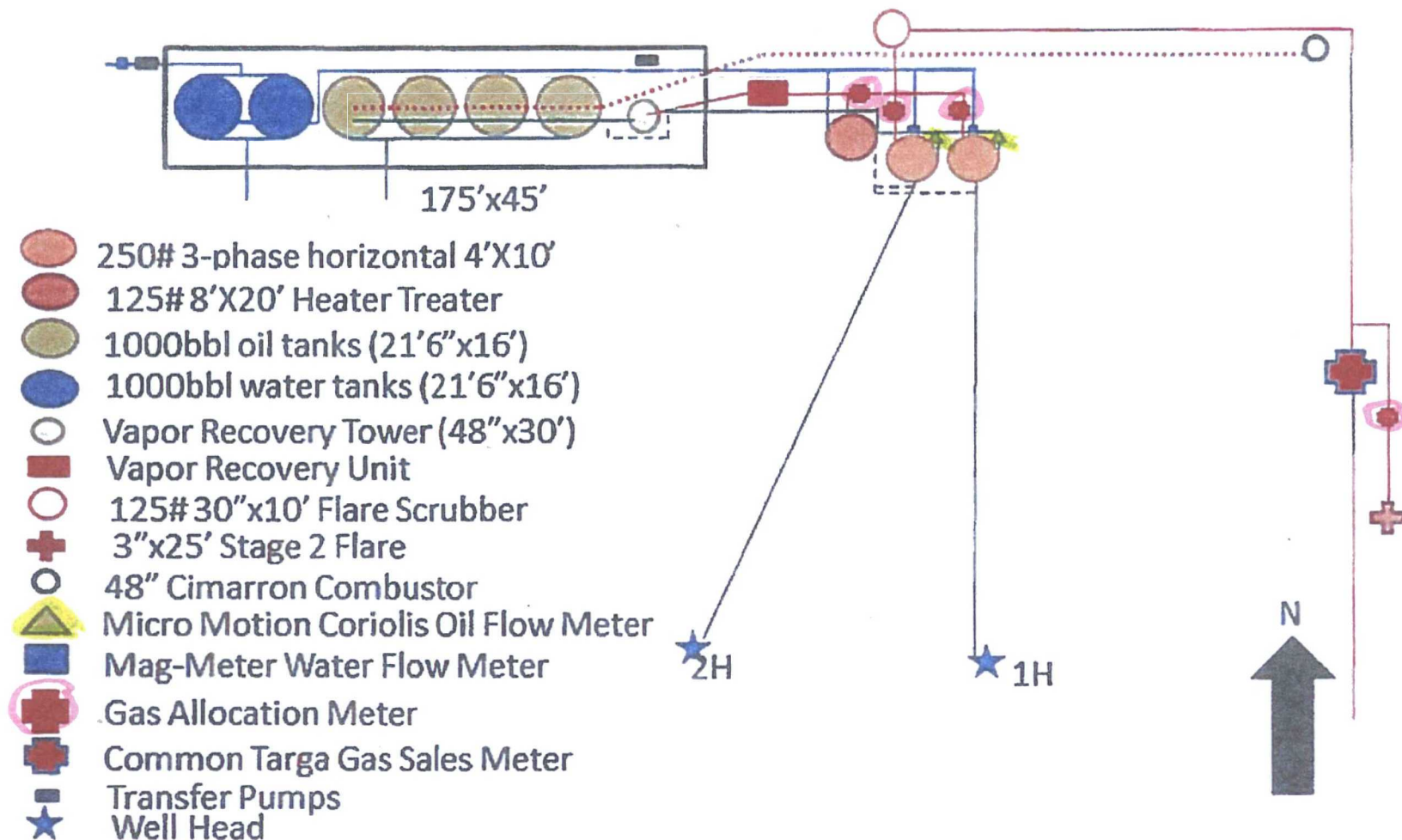
McElvain Energy Inc. understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

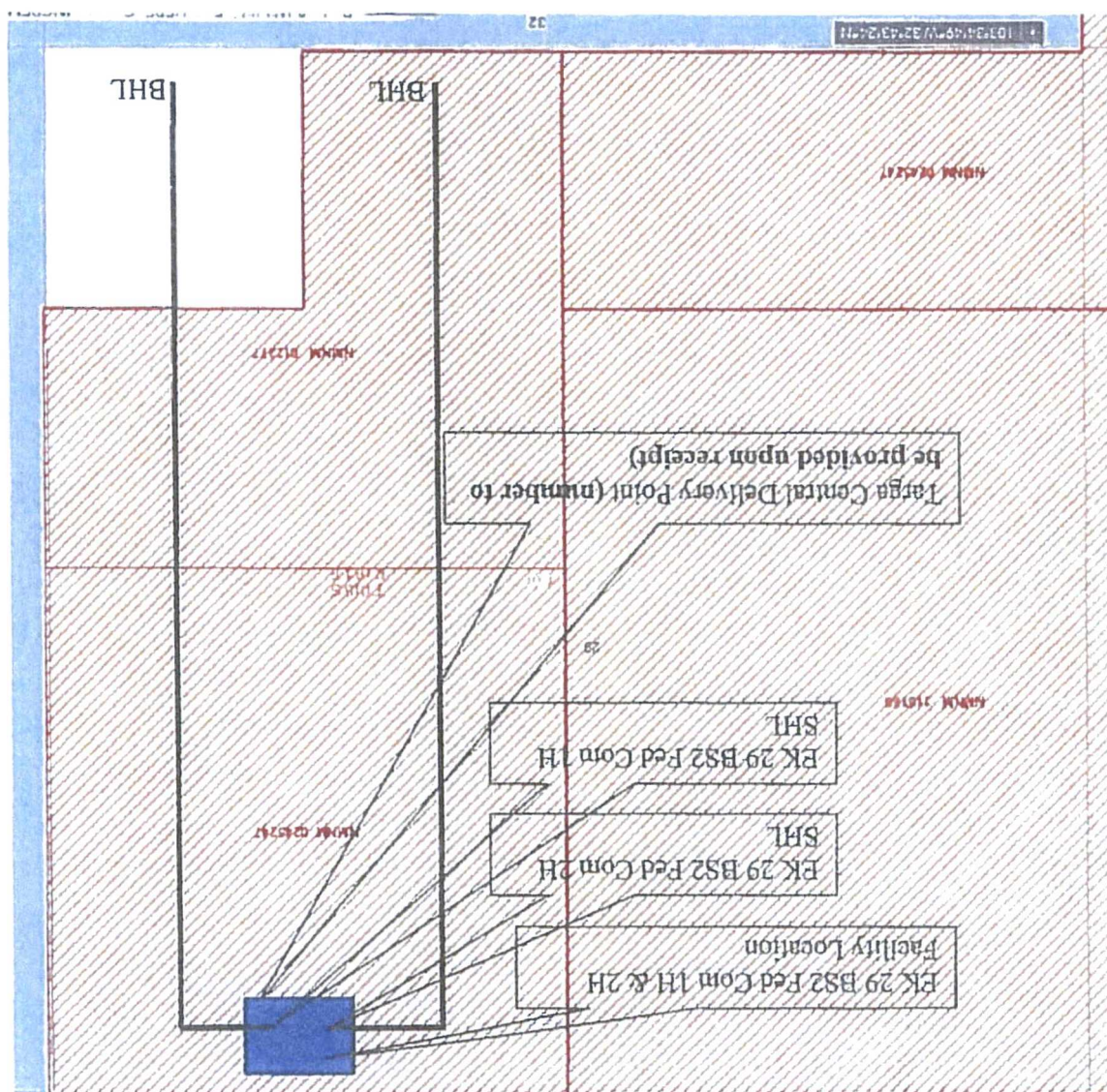
Working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached list).

Signed:   
Printed Name: Tony Cooper  
Title: Regulatory Compliance Manager  
Date: 5-9-2017



# EK29\_1H & 2H Facility







NMNM 028028

019

NMNM 116167

020

021

NMNM 116166

029

NMNM 0245247

030

028

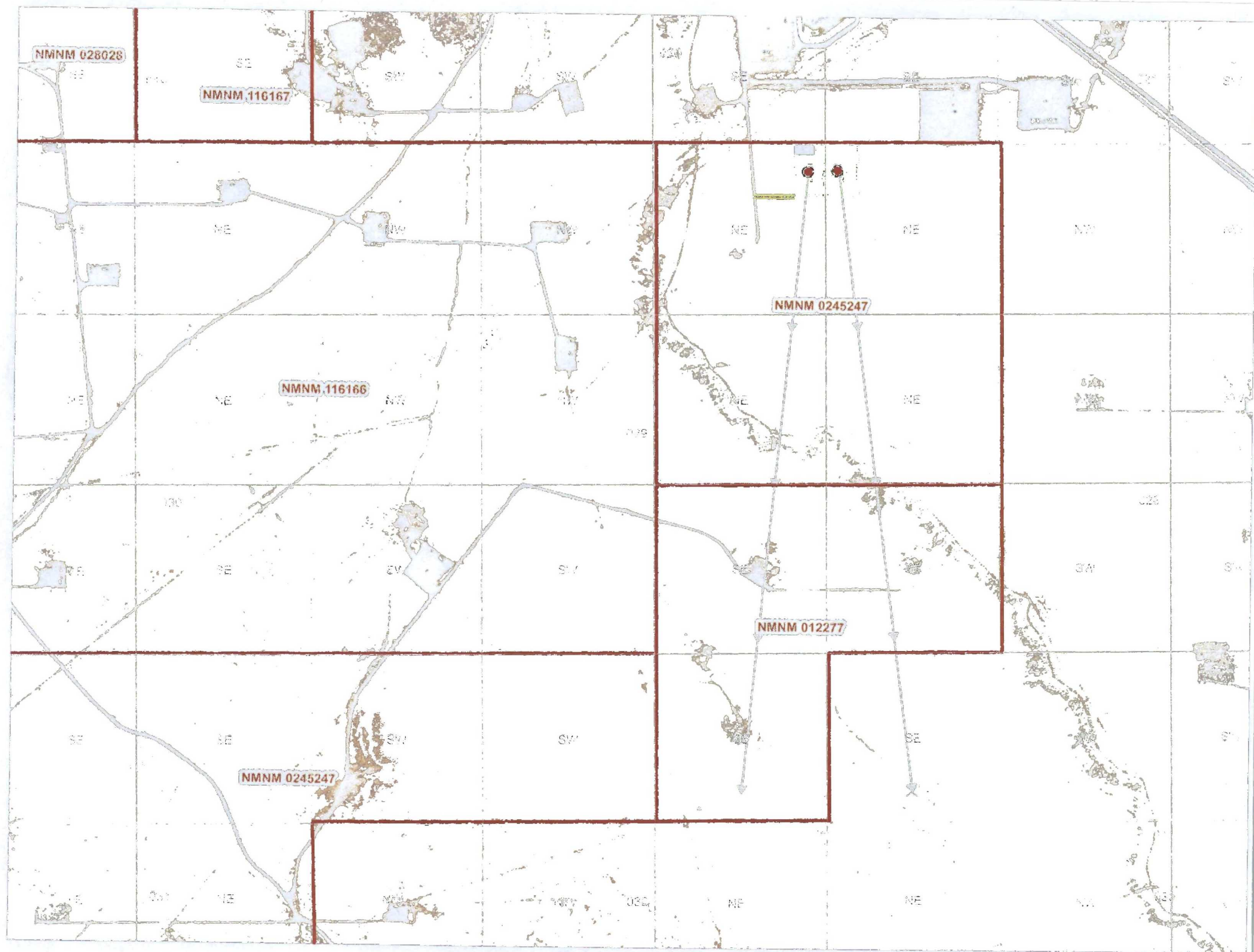
NMNM 012277

NMNM 0245247

031

032

033





**Shell Trading (US) Company**  
1000 Main Street, Level 12 Houston, TX 77002  
Crude Domestic LEASE Facsimile: (713) 246 8682

Please note that all contractual correspondence for this deal and all future deals between our companies must be directed to the above address. Shell Trading (US) Company ("STUSCO") will not be held responsible for delays resulting from correspondence sent to any other place.

As agreed between the respective traders at the time of negotiation, STUSCO is the documenting party and this Contract is the governing document and any contract or contract confirmation generated by MCELVAIN ENERGY, INC. is therefore rejected and not accepted as part of the negotiated terms of this Contract.

This Contract amends, restates and supersedes in its entirety that certain Contract entered into between STUSCO and MCELVAIN ENERGY, INC. dated February 1, 2014, as subsequently modified and amended.

**STUSCO CONTRACT REF. NO. CL83LP0003 – AMENDED AND RESTATED EFFECTIVE  
JANUARY 1, 2017**

MCELVAIN ENERGY, INC.: Please advise your contract ref:

**SELLERS**

MCELVAIN ENERGY, INC.  
1050 17TH ST STE 2500  
DENVER  
Colorado  
United States 80265-2080

**BUYERS**

Shell Trading (US) Company  
1000 MAIN ST LEVEL 12  
HOUSTON  
Texas  
United States 77002-6336

**TERM**

This Contract shall commence on 1 January 2017 and continue through 31 January 2017 ("Initial Term"), after which it will continue on a one (1) month(s) evergreen basis until either party terminates this Contract in accordance with this paragraph. By giving the other Party 30 day(s) prior written notice, either Party may terminate this Contract effective as of the end of the Initial Term or any subsequent month thereafter.

**GRADE AND QUALITY**

WTI type Crude Oil.

**QUANTITY**

Equal to 100% of the owned and or controlled production from the lease(s) as shown on Attachment 1.

Seller warrants that it has the right to commit the full volume for the leases identified in this Contract for the full duration of the term of this Contract.

**TERMS OF DELIVERY**

From lease tankage into Buyer's designated trucks.

**PRICE**

**LEASE PRICE CODE - BBA**

The price per barrel shall be the average of the daily settlement price for "Light Sweet Crude Oil" Prompt Month future contracts reported by the New York Mercantile Exchange (NYMEX) from the first day of the delivery month through and including the last day of the delivery month, including weekends and holidays observed by NYMEX.

MCELVAIN ENERGY, INC.

1050 17TH STREET, SUITE 2500  
DENVER, COLORADO 80265-2080

RICK HARRIS  
LAND MANAGER

TELEPHONE 303-962-6487  
FAX 855-613-9130  
E-MAIL: RICK.HARRIS@MCELVAIN.COM

May 9, 2017

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Interest Owners

RE: Request for a CTB & Commingle & Off lease measurement  
EK 29 BS2 Federal Com #1H & EK 29 BS2 Federal Com #2H  
Sec. 29-T18S-R34E  
API # 30-025-43687 & 30-025-43676  
2<sup>nd</sup> Bone Spring  
Lea County, New Mexico

Interest Owner:

This is to advise you that McElvain Energy, Inc., as general partner and operator for T. H. McElvain Oil & Gas LLLP ("McElvain"), is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tank Battery & Off-Lease Gas Measurement, Sales, & Storage for the above mentioned wells.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application much be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at 303-962-6487 should you have any questions or need anything further.

Sincerely,

McElvain Energy, Inc.



Rick Harris  
Land Manager

Enclosures



**Wells: EK 29 BS2 Federal Com #1H and EK 29 BS2 Federal Com #2H**

**Federal Lease(s): NMNM0245247 & NMNM012277**

**Name/Address**

**Certified Mailing Number**

**WORKING INTEREST OWNERS**

T H MCELVAIN OIL & GAS LLLP  
PARTNERSHIP  
1050 17TH STREET, SUITE 2500  
DENVER CO 80265

McELVAIN ENERGY FUND 2011 LLC  
1050 17TH STREET, SUITE 2500  
DENVER CO 80265

PRIMA EXPLORATION INC  
100 FILLMORE ST SUITE 450  
DENVER CO 80206

7012 3050 0000 7175 0927

MCELVAIN OIL COMPANY, L.P.  
C/O DAVID P MCELVAIN  
P O BOX 801888  
DALLAS TX 75380-1888

7012 3050 0000 7175 0934

TRAINER PARTNERS LTD.  
PO BOX 3788  
MIDLAND TX 79702

7012 3050 0000 7175 0941

BURK ROYALTY CO LTD  
PO BOX 94903  
WICHITA FALLS TX 76308

7012 3050 0000 7175 0958

**ROYALTY OWNERS**

U.S. DEPARTMENT OF THE INTERIOR  
OFFICE OF NATURAL RESOURCES REV  
PO BOX 25627  
DENVER CO 80225-0627

7012 3050 0000 7175 0965

JOHN RICHARD ANDERSON  
PO BOX 136  
GAIL TX 79738

7012 3050 0000 7175 0972

ERIK ANDERSON  
2292 ROAD 220  
CHEYENNE WY 82009

7012 3050 0000 7175 0989

SARAH ANDERSON  
2017 CANYON DRIVE  
CHEYENNE WY 82009

7012 3050 0000 7175 0996

SCHARBAUER MINERALS LP  
PO BOX 1471  
MIDLAND TX 79702

7012 3050 0000 7175 1009

GERALDINE B LEE  
600 GOLIAD COURT NW  
ALBUQUERQUE NM 87107

7012 3050 0000 7175 1016

Name/Address	Certified Mailing Number
MICHELLE M WILEY DYNASTY TRUST 215 HAWTHORN STREET FREDERICK CO 80530	7012 3050 0000 7175 1023
STEPHEN P ANDERSON DYANSTY TRUST STEPEHN P ANDERSON TRUSTEE 720 ELIZABETH STREET CIR DAcono CO 80514	7012 3050 0000 7175 1030
GILES M LEE & JOIE ANDERSON LEE ELIZABETH FORRESTER LEE BERRY POA 44 SWAMP ROAD LOVINGTON NM 88260-9665	7012 3050 0000 7175 1047
BECKY BROOKS L CHRISTMAS PO BOX 173 WAGON MOUND NM 87752-0173	7012 3050 0000 7175 1054
ELIZABETH FORREST BERRY P.O. BOX 160 EUNICE NM 88231-0160	7012 3050 0000 7175 1061
MARY ANN LEE WALDROP 6556 NUTMEG ROAD SAN ANGELO TX 76901-5517	7012 3050 0000 7175 1078
RODDY D & BROOKIE L HUGHES REVOC TRUST DECL DTD 4/7/16, RODDY D HUGHES & BROOKIE LEE HUGHES AS CO-TRUSTEES 2814 EMERSON PLACE MIDLAND TX 79705-4202	7012 3050 0000 7175 1085
LEE FAMILY TRUST DTD 4/13/93 AS AMENDED 6/4/96 BILL LEE SUCCESSOR TRUST PO BOX 363 LOVINGTON NM 88260	7012 3050 0000 7175 1092

#### OVERRIDING ROYALTY OWNERS

SABINE ROYALTY TRUST SOUTHWEST BANK ESCROW AGENT & TTEE PO BOX 678600 DALLAS TX 75267-8600	7012 3050 0000 7175 1108
BRAILLE INSTITUTE OF AMERICA BANK OF AMERICA, N.A., AGENT PO BOX 840738 DALLAS TX 75284-0738	7012 3050 0000 7175 1115
GROSS FAMILY LTD PARTNERSHIP PO BOX 358 ROSWELL NM 88201	7012 3050 0000 7175 1122
SELMA E ANDREWS TRUST F/B/O PEGGY BARRETT BANK OF AMERICA NA SOLE TRUSTEE PO BOX 840738 DALLAS TX 75284-0738	7012 3050 0000 7175 1139



Name/Address	Certified Mailing Number
SELMA E ANDREWS PERPETUAL CHARITABLE TRUST BANK OF AMERICA NA SOLE TRUSTEE PO BOX 840738 DALLAS TX 75284-0738	7012 3050 0000 7175 1146
RANDALL M TRAINER 2802 NORTH GARFIELD STREET MIDLAND TX 79705	7012 3050 0000 7175 1153
THOMASTON, LLC 1050 17TH STREET SUITE 2500 DENVER CO 80265-2080	
HTI RESOURCES INC PO BOX 10690 SAVANNAH GA 31412	7012 3050 0000 7175 1160
MARY ANNE BERLINER FNDTN TRUST FIRST NATIONAL BANK TRUSTEE PO BOX AA ARTESIA NM 88211-7526	7012 3050 0000 7175 1177
SHARBRO ENERGY LLC PO BOX 840 ARTESIA NM 88211-0840	7012 3050 0000 7175 1184
MCGARY LIVING TRUST - SPH BRIAN MCGARY TRUSTEE BANK OF AMERICA NA AGENT 901 MAIN STREET 17TH FLOOR, TX1-492-17-01 DALLAS TX 75202-3738	7012 3050 0000 7175 1191
MCGARY FAMILY TRUST - KELLY SP KELLY MCGARY TRUSTEE BANK OF AMERICA NA AGENT 901 MAIN STREET 17TH FLOOR, TX1-492-17-01 DALLAS TX 75202-3738	7012 3050 0000 7175 1207
PEGGY P MCELVAIN TRUST PO BOX 17892 HOLLADAY UT 84117	7012 3050 0000 7175 1214
JACQUELIN M WITHERS TR UAD 12/10/92 WILLIAM P WITHERS TRUSTEE 3429 DEVONSHIRE WAY PALM BEACH GARDENS FL 33418	7012 3050 0000 7175 1221
BILLY J COOK 4204 NELSON ROAD MIDLAND TX 79707	7012 3050 0000 7175 1238
LERWICK I LTD 508 W WALL ST, STE 1250 MIDLAND TX 79701	7012 3050 0000 7175 1245
EGL RESOURCES INC 3001 S. HARDIN BLVD, STE 110 PMB #507 MCKINNEY TX 75070	7012 3050 0000 7175 1252

Name/Address	Certified Mailing Number
RHOMBUS ENERGY COMPANY PO BOX 627 LITTLETON CO 80160-0627	7012 3050 0000 7175 1269
J SANDRA STANTON TRUST 1544 OCEAN DRIVE MANTOLOKING NJ 08738	7012 3050 0000 7175 1276
GERALDINE S GRAY 57 NAUTILUS DRIVE LEONARDO NJ 07737	7012 3050 0000 7175 1283
SHORT 2008 TRUST DTD 12/08/2008 WM H & PATRICIA SHORT TRUSTEES 3767 PRAIRIE DUNES DRIVE SARASOTA FL 34238	7012 3050 0000 7175 1290
JAMES D & LORNA J SHORT LIV TRUST JAMES DAVID SHORT TRUSTEE 486 LAKEVIEW DRIVE - UNIT 58 PALM HARBOR FL 34683	7012 3050 0000 7175 1306
DAVID M TRAINER ESTATE RONALD A JANES IND EXECUTOR 615 PERRY STREET MARLIN TX 76661-2237	7012 3050 0000 7175 1313
EOG RESOURCES ASSETS LLC 1111 BAGBY SKY LOBBY 2 HOUSTON TX 77002	7012 3050 0000 7175 1320
MARY JANE MCGARY TRUST MARY JANE MCGARY TRUSTEE BANK OF AMERICA NA AGENT 901 MAIN STREET 17TH FLOOR, TX1-492-17-01 DALLAS TX 75202-3738	7012 3050 0000 7175 1337
ASA G ASHWORTH ESTATE C/O JOHN P ASHWORTH 1577 YANKEE LANE HORNELL NY 14843-9101	7012 3050 0000 7175 1344



**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 07/05/17 05:37 AM

Page 1 of 16

01 02-25-1920;041STAT0437;30USC226

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Total Acres

1,111.440

Serial Number

NMNM-- 0 245247

Serial Number: NMNM-- 0 245247

Name & Address			Int Rel	%Interest
BELLAMY SIDNEY E	PO BOX 29193	DALLAS TX 752290193	OPERATING RIGHTS	0.00000000
BOSWELL INTERESTS LTD	1320 LAKE ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.00000000
BRADFORD CARYL M	4005 EUCLID AVE	DALLAS TX 75205	LESSEE	4.16660000
BUCKEYE ENERGY INC	PO BOX 3788	MIDLAND TX 79702	OPERATING RIGHTS	0.00000000
BURNETT OIL CO	801 CHERRY ST #1500 UNIT #9	FORT WORTH TX 761026881	OPERATING RIGHTS	0.00000000
CEB OIL CO	1320 LAKE ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.00000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	OPERATING RIGHTS	0.00000000
COG OPERATING LLC	600 W ILLINOIS AVE	MIDLAND TX 797014882	OPERATING RIGHTS	0.00000000
DAHLIN MERLYN W	3220 N FWY	FORT WORTH TX 76102	OPERATING RIGHTS	0.00000000
DAHLIN RUTH G	3220 N FREEWAY	FORT WORTH TX 76111	OPERATING RIGHTS	0.00000000
DURAN PROPERTIES LLC	PO BOX 1854	ROSWELL NM 88202	OPERATING RIGHTS	0.00000000
EAB OIL CO	1320 LAKE ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.00000000
EOG RESOURCES ASSETS LLC	105 S 4TH ST	ARTESIA NM 882102177	OPERATING RIGHTS	0.00000000
EXPRESS AIR DRILLING	3833 OAK LAWN AVE	DALLAS TX 752194516	OPERATING RIGHTS	0.00000000
FLETCHER LOY C	PO BOX 852	ARTESIA NM 88210	OPERATING RIGHTS	0.00000000
FRAM GEORGE	PO BOX 563	ROSWELL NM 882020563	OPERATING RIGHTS	0.00000000
HAVEL KATHLEEN A	7607 CHALKSTONE	DALLAS TX 752194516	OPERATING RIGHTS	0.00000000
HAVEL MICHAEL J	7607 CHALKSTONE	DALLAS TX 752194516	OPERATING RIGHTS	0.00000000
HENDERSON DAVID L	815 W 10TH ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.00000000
HENDERSON DAWN	815 W 10TH ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.00000000
HICKS LIVING TRST	6212 OSUNA NE	ALBUQUERQUE NM 871092561	OPERATING RIGHTS	0.00000000
HISSOM TRUST EL AL	5666 CHEVY CHASE DR	HOUSTON TX 770564005	OPERATING RIGHTS	0.00000000
HOUSTON & EMMA HILL TRUST EST	500 THROCKMORTON #2803	FORT WORTH TX 761023865	OPERATING RIGHTS	0.00000000
JACQUELIN M WITHERS TRUSTEE	3429 DEVONSHIRE WAY	PALM BEACH GARDENS FL 33418688	LESSEE	12.50000000
JAMES CLEO THOMPSON JR LP	325 N ST PAUL #4300	DALLAS TX 75201	OPERATING RIGHTS	0.00000000
JOHN P OIL COMPANY	1320 LAKE STREET	FORT WORTH TX 76102	OPERATING RIGHTS	0.00000000
KAISER FRANCIS OIL	PO BOX 21463	TULSA OK 741211468	OPERATING RIGHTS	0.00000000
KERR-MCGEE OG ONSHORE LP	1999 BROADWAY #3700	DENVER CO 80202	OPERATING RIGHTS	0.00000000
LOS SIETE EXPL INC	215 W THIRD ST	ROSWELL NM 88201	OPERATING RIGHTS	0.00000000
MAGNUM HUNTER PRODUCTION INC	202 S CHEYENNE AVE STE 1000	TULSA OK 741033001	OPERATING RIGHTS	0.00000000
MARY JANE MCGARY TRUST	PO BOX 830308	DALLAS TX 752830308	OPERATING RIGHTS	0.00000000
MARY JANE MCGARY TRUST	PO BOX 830308	DALLAS TX 752830308	LESSEE	8.33340000
MATCO 850 LTD	3300 N A ST BLDG 4 #102	MIDLAND TX 79705	OPERATING RIGHTS	0.00000000
MCELVAIN DAVID P	PO BOX 2148	SANTA FE NM 875042148	LESSEE	4.16670000
MCELVAIN ENERGY FUND 2011 LLC	1050 17TH ST STE 2500	DENVER CO 802652080	OPERATING RIGHTS	0.00000000
MCELVAIN JAMES E	PO BOX 2148	SANTA FE NM 875042148	LESSEE	4.16670000
MCELVAIN OIL & GAS PROP INC	1050 17TH ST STE 2500	DENVER CO 802652080	OPERATING RIGHTS	0.00000000
MCELVAIN OIL CO	PO BOX 801888	DALLAS TX 75380	OPERATING RIGHTS	0.00000000
MCELVAIN RALPH C JR	PO BOX 17892	HOLLADAY UT 841170892	OPERATING RIGHTS	0.00000000
MCELVAIN RALPH C JR	PO BOX 9502	SALT LAKE CITY UT 84109	LESSEE	12.50000000
MCELVAIN RUTH P	PO BOX 2148	SANTA FE NM 875042148	LESSEE	12.50000000
MCGARY BRIAN SPH TRUSTEE	PO BOX 830308	DALLAS TX 752830308	LESSEE	8.33330000
MCGARY BRIAN SPH TRUSTEE	PO BOX 830308	DALLAS TX 752830308	OPERATING RIGHTS	0.00000000
MCGARY KELLY TRUSTEE	PO BOX 830308	DALLAS TX 752830308	OPERATING RIGHTS	0.00000000
MCGARY KELLY TRUSTEE	PO BOX 830308	DALLAS TX 752830308	LESSEE	8.33330000
MCKAY PETROLEUM CORP	PO BOX 2014	ROSWELL NM 88202	OPERATING RIGHTS	0.00000000
MEXCO ENERGY CORP	PO BOX 10502	MIDLAND TX 79702	OPERATING RIGHTS	0.00000000
MITCHELL ROYALTY LTD	RR 2 BOX 10 A	HASKELL OK 74436	OPERATING RIGHTS	0.00000000
MOORE R KEITH	2972 VALLEY VIEW LN	FARMERS BRANCH TX 75234	OPERATING RIGHTS	0.00000000
MOREXCO INC	PO BOX 481	ARTESIA NM 882110481	OPERATING RIGHTS	0.00000000
NEARBURG EXPL CO LLC	3300 N A ST #120	MIDLAND TX 79705	OPERATING RIGHTS	0.00000000
P J GUY FAMILY TRUST	PO BOX 100	ARTESIA NM 882110100	OPERATING RIGHTS	0.00000000

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**BUREAU OF LAND MANAGEMENT  
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(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 07/05/17 05:37 AM

Page 2 of 16

PALACE ECPL CO	5 E 59TH FL	NEW YORK NY 100221027	OPERATING RIGHTS	0.000000000
PATRICIA DEAN BOSWELL TRUSTEE	1320 LAKE ST	FORT WORTH TX 76120	OPERATING RIGHTS	0.000000000
POLO OIL & GAS CO	PO BOX 699	ROSWELL NM 882020699	OPERATING RIGHTS	0.000000000
PVB OIL CO	1320 LAKE ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
RHOMBUS ENERGY CO	200 N LORAIN #1270	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
SAPPINGTON JACK L	3105 STANOLIND	MIDLAND TX 79705	OPERATING RIGHTS	0.000000000
SCOTT WARREN	215 W THIRD ST	ROSWELL NM 88201	OPERATING RIGHTS	0.000000000
SEELY C W	815 W 10TH STREET	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
SEELY INA B	815 WEST 10TH STREET	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
SEELY OIL CO	815 W 10TH ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
SEELY OIL CO	311 W QUAY	ARTESIA NM 88211	OPERATING RIGHTS	0.000000000
SLATE RIVER OIL & GAS LLC	PO BOX 627	LITTLETON CO 801600627	OPERATING RIGHTS	0.000000000
SMITH TERRY	#20 SMOKEY TRL	ARTESIA NM 88210	OPERATING RIGHTS	0.000000000
SOBECK NANCY	1800 CEDAR RIDGE DR	AUSTIN TX 78741	OPERATING RIGHTS	0.000000000
SSV&H ASSOCIATES	815 W 10TH ST	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
T H MCELVAIN OIL & GAS LLLP	1050 17TH ST STE 2500	DENVER CO 802652080	OPERATING RIGHTS	0.000000000
TH MCELVAIN OG LLLP	1050 17TH ST STE 2500	DENVER CO 802652080	OPERATING RIGHTS	0.000000000
TH MCELVAIN OG LLLP	1050 17TH ST STE 2500	DENVER CO 802652080	LESSEE	25.000000000
THE PEGGY P MCELVAIN TRUST	PO BOX 17892	SALT LAKE CITY UT 841170892	OPERATING RIGHTS	0.000000000
THOMPSON CLEO J	325 N SAINT PAUL ST STE 4300	DALLAS TX 752013993	OPERATING RIGHTS	0.000000000
TRAINER C W	PO BOX 3788	MIDLAND TX 797023788	OPERATING RIGHTS	0.000000000
TRAINER JACKIE	PO BOX 754	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
TROBAUGH PROPERTIES	3300 N A ST BLDG 4 #102	MIDLAND TX 79705	OPERATING RIGHTS	0.000000000
WES-TEX DRILLING CO LP	PO BOX 3739	ABILENE TX 79604	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- 0 245247

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0180S	0330E	025	ALIQ	W2,W2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0180S	0340E	029	ALIQ	NE,S2SW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0180S	0340E	030	ALIQ	S2SE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0180S	0340E	030	LOTS	3-4;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0180S	0340E	031	ALIQ	NE,E2NW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0180S	0340E	031	LOTS	1,2;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM 0245247

**Relinquished/Withdrawn Lands**

23	0180S	0330E	725	FF	W2NE SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0180S	0340E	729	FF	NW,N2SW SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0180S	0340E	730	FF	NE,E2NW,N2SE SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 245247

Act Date	Code	Action	Action Remarks	Pending Office
09/01/1949	387	CASE ESTABLISHED		
09/01/1949	496	FUND CODE	05;145003	
09/01/1949	530	RLTY RATE - 12 1/2%		
09/01/1949	868	EFFECTIVE DATE		
12/01/1961	209	CASE CREATED BY SEGR	OUT OF NMLC069457;	
02/26/1962	648	EXT BY PROD ON ASSOC LSE	NMLC069457;	
06/19/1962	650	HELD BY PROD - ACTUAL	/1/	
06/19/1962	658	MEMO OF 1ST PROD-ACTUAL	/1/MCELVAIN#2;	
12/06/1963	932	TRF OPER RGTS FILED	MCELVAIN/HUMBLE OIL	
01/21/1964	103	ADDTL INFO RECD	MCELVAIN/HUMBLE OIL	
02/12/1964	932	TRF OPER RGTS FILED	IBEX CO/INC	
02/19/1964	396	TRF OF INTEREST FILED	REGAN EST/R REGAN	
02/19/1964	933	TRF OPER RGTS APPROVED	EFF 01/01/1963;	
02/19/1964	933	TRF OPER RGTS APPROVED	EFF 03/01/1964;	
06/03/1966	932	TRF OPER RGTS FILED	GRARIDGE/AMER PETROFI	

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**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
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Run Date/Time: 07/05/17 05:45 AM

Page 1 of 3

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

120.000

NMNM-- - 012277

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 012277

Name & Address			Int Rel	%Interest
BURK ROYALTY CO LTD	PO BOX 94903	WICHITA FALLS TX 763080903	OPERATING RIGHTS	0.000000000
KERR-MCGEE OG ONSHORE LP	1999 BROADWAY #3700	DENVER CO 80202	OPERATING RIGHTS	0.000000000
MCKAY OIL CORP	PO BOX 2014	ROSWELL NM 882022014	OPERATING RIGHTS	0.000000000
MCKAY PETROLEUM CORP	PO BOX 2014	ROSWELL NM 88202	OPERATING RIGHTS	0.000000000
PERRY WESLEY W	PO BOX 371	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
RHOMBUS ENERGY CO	200 N LORAIN #1270	MIDLAND TX 79701	LESSEE	100.000000000
SAPPINGTON JACK L	3105 STANOLIND	MIDLAND TX 79705	OPERATING RIGHTS	0.000000000
T H MCELVAIN OIL & GAS LLLP	1050 17TH ST STE 2500	DENVER CO 802652080	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 012277

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0180S	0340E	029	ALIQ	N2SE,SWSE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 012277

Act Date	Code	Action	Action Remarks	Pending Office
07/26/1970	387	CASE ESTABLISHED		
07/27/1970	888	DRAWING HELD	#1000;	
08/13/1970	237	LEASE ISSUED		
09/01/1970	496	FUND CODE	05;145003	
09/01/1970	530	RLTY RATE - 12 1/2%		
09/01/1970	868	EFFECTIVE DATE		
12/01/1970	898	ASGN EFFECTIVE	SHORT GERI	
06/26/1972	940	NAME CHANGE RECOGNIZED	PENNZOIL UNITED/CO	
02/19/1975	315	RENTAL RATE DET/ADJ	\$2.00;	
12/17/1980	246	LEASE COMMITTED TO CA	NMNM88498;	
12/17/1980	658	MEMO OF 1ST PROD-ACTUAL	NMNM88498;	
12/31/1980	235	EXTENDED	THRU 08/31/82;	
01/05/1981	650	HELD BY PROD - ACTUAL		
04/30/1981	102	NOTICE SENT-PROD STATUS		
05/08/1981	315	RENTAL RATE DET/ADJ	\$2.00;	
10/02/1984	963	CASE MICROFILMED/SCANNED	CNUM 104,226 AC	
09/11/1987	974	AUTOMATED RECORD VERIF	MLM/MT	
10/26/1988	140	ASGN FILED	PENNZOIL CO/EXPL&PROD	
10/26/1988	932	TRF OPER RGTS FILED		
12/02/1988	139	ASGN APPROVED	EFF 11/01/88;	
12/02/1988	933	TRF OPER RGTS APPROVED	EFF 11/01/88;	
12/03/1988	974	AUTOMATED RECORD VERIF	MCS/MT	
04/02/1991	932	TRF OPER RGTS FILED	C W TRAINER/SUN ETAL	
06/07/1991	933	TRF OPER RGTS APPROVED	EFF 05/01/91;	
06/07/1991	974	AUTOMATED RECORD VERIF	MT/CG	
09/25/1992	932	TRF OPER RGTS FILED	SUN OPER/RHOMBUS ENE	

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DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U S Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Tiny Cooper  
 Print or Type Name

[Signature]  
 Signature

Regulatory Mgr  
 Title

5-8-87  
 Date

\_\_\_\_\_  
 e-mail Address



District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: McElvain Energy Inc  
OPERATOR ADDRESS: 1050 17<sup>th</sup> Street, Suite 2500, Denver, CO 80265  
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☒ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No.  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Pool 21650, EK Bone Springs EK 29 BS2 Fed Com 1H	38 1350	38 1350		545 BO 53 MCF	600BOPD 600MCFD
Pool 21650, EK Bone Springs EK 29 BS2 Fed Com 2H	38 1350				600BOPD 600MCFD

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code.  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: T. Cooper TITLE: Regulatory Mgr DATE: 5-8-17  
TYPE OR PRINT NAME: Tony Cooper TELEPHONE NO: 303 501 0004  
E-MAIL ADDRESS: Tcooper@mcelvain.com

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**EK 29 BS2 Federal Com 1H, EK 29 BS2 Federal Com 2H  
3002543687, 3002543676  
Leases NMNM0245247 & NMNM12277, CAs pending**

**McElvain Energy, Inc.  
July 5, 2017**

**Condition of Approval  
Surface commingling and off lease measurement, storage & sales**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3178 & 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Submit meter numbers upon installation of meters and also provide updated facility diagram with meters numbers.
11. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.