

District I
1625 N. French Dr., 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

HOBBS Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCT 11 2017

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

RECEIVED
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 17th Street, Suite 2500, Denver CO, 80265,
hereby requests an exception to Rule 19.15.18.12 for _____ days or until
Oct 17, Yr 2018, for the following described tank battery.
Name of Lease McElvain #8 (025-38012) Name of Pool EK DELAWARE
Location of Battery: Unit Letter L Section 30 Township 18S Range 34E
Number of wells producing into battery 1
- B. Based upon oil production of 7 barrels per day, the estimated * volume
of gas to be flared is 17 MCF; Value \$0 / Non- Marketable _____ per day.
- C. Name and location of nearest gas gathering facility: Frontier Field Services
- D. Distance _____ Pipeline & Meter already at Site _____ Estimated cost of connection: Non Marketable Gas
- E. This exception is requested for the following reasons: Continued recovery of crude oil.

Frontier Field Services, has denied McElvain access to the pipeline on the McElvain #8 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 26 Mcfd until which time Frontier Field Services can resume transportation, or MEI can find an alternate transporter.

Note: Upon renewal of this C129 McElvain realized that the NMOCD had only granted permission for 90 days of flaring via the C-129 submitted to the OCD in September of 2016 (BLM approval for this well was associated with the McElvain #4, 3160-5 NOI).

This well has been flaring (and been being reported to the OCD as such) to an onsite Cimarron internal combustor since the 10/17/2016. The BLM approval for flaring of this well was for 1 year and that is what caused this oversight. McElvain would like to apologize to the OCD for the mistake and submit this new C-129 for approval to bring the well back into compliance with Rule 19.15.18.12.

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

Larry Cooper

OIL CONSERVATION DIVISION

Approved Until

Accepted for Record Only

By

Printed Name
& Title Tony Cooper, Regulatory Manager

E-mail
Address_tonyc@mcclvain.com

Date 10-11-2017 Telephone No. 303-962-6489

Title

Date

Accepted for Record Only

* Gas-Oil ratio test may be required to verify estimated gas volume.

ms Brown 10/11/2017