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

TH	IS CHECKLIST IS M			IS FOR EXCEPTIONS TO DIVIS DIVISION LEVEL IN SANTA FE	ION RULES AND REGU	JLATIONS	
Applic	[DHC-Dow	s: ndard Location] [NSP- nhole Commingling] ol Commingling] [O [WFX-Waterflood Expa	-Non-Standard Pror [CTB-Lease Comm LS - Off-Lease Stor ansion] [PMX-Pre	ation Unit] [SD-Simulta lingling] [PLC-Pool/Le age] [OLM-Off-Lease l ssure Maintenance Exp	ease Commingling Measurement] pansion]	1	7338
[1]	TYPE OF AP [A] Check [B]	Injection - Disposal -	B L PLC L	Dedication $Vell$: E^{-1} $API: 30-0$ $PC \Box OLS \Box O$ Enhanced Oil Recovery	D MAIC	Fred # RECEIVED OCE	y /u< 3H
[2]	[D] NOTIFICAT [A] [B] [C] [D] [E] [F]	Application is C	One Which Requires I/or Concurrent App nagement - Commissioner of P nove, Proof of Notific	nich Apply, or Does No yalty Interest Owners urface Owner Published Legal Notice roval by BLM or SLO ublic Lands, State Land Office cation or Publication is A	#:2165	F-K *	Sane Spins
[3]	OF APPLICA	ATION INDICATED	ABOVE.	ATION REQUIRED TO			
applica Jorda	al is accurate a ation until the re	nd complete to the bes quired information and	t of my knowledge. I notifications are su	n submitted with this app I also understand that no bmitted to the Division. ith managerial and/or superv Attorney Title jlkessler@hol e-mail Address	o action will be tale		15.



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 jlkessler@hollandhart.com

July 17, 2015

VIA HAND DELIVERY

David Catanach
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OCD

Re: Application of McElvain Energy, Inc. for administrative approval of an unorthodox well location for its EK 29 BS2 Federal Com No. 3H Well in the E/2 W/2 of Section 29, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Mr. Catanach:

McElvain Energy, Inc. (OGRID No. 22044) seeks administrative approval of an unorthodox well location for its **EK 29 BS2 Federal Com No. 3H Well** to be completed within the E-K; Bone Spring Pool (Pool Code 21650) underlying Section 29, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 305 feet from the South line and 2155 feet from the West line (Unit N) of Section 29. The first perforation will be located 330 feet from South line and 2153 feet from the West line (Unit N) and the last perforation will be 330 feet from the North line and 1973 feet from the West line of Section 29 (Unit C). The E-K; Bone Spring Pool is governed by the Special Rules as adopted by Division Order R-4981. These Special Rules require 80-acre spacing units and further require that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. As a result, the completed interval for this proposed well will be unorthodox because it is closer than 510 feet from the northern, southern, and southeastern boundaries of the project area, as well as the W/2 SE/4 of Section 29. Approval of the unorthodox completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **EK 29 BS2 Federal Com No. 3H Well** encroaches on the spacing and proration units to the North, South, and Southeast, as well as the W/2 SE/4 of Section 29.

Exhibit B is a land plat for Section 29 and the surrounding sections that shows the proposed EK 29 BS2 Federal Com No. 3H Well in relation to adjoining units and existing wells.



Exhibit C is a list of the parties affected by the encroachment to the North, South, and Southeast, as well as the W/2 SE/4 of Section 29. Each of the parties listed on Exhibit C have been provided notice of this application by certified mail, and has been advised that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives this application. In addition, a courtesy copy of this application has been provided to the Bureau of Land Management and to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR McElvain Energy, Inc.

cc: Bureau of Land Management 620 E. Green Street Carlsbad, NM 88220

> New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504

DISTRICT I
1825 N. Franch Dr., Hobbs, NM 88240
Phons (875) 893-8181 Fam (876) 893-9780
DISTRICT II
811 S. First St., Artesia, NM 88210
Phons (876) 746-1235 Fam (875) 746-6729
DISTRICT III

811 S. First St., Artesia, NM 88210 Phone (575) 748-1223 Fax (575) 748-9723 DISTRICT III 1000 Rio Braxos Rd., Axtec, NM 87410 Phone (505) 334-8170

DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87506 Phone (505) 476-3460 Faz: (506) 476-3462 State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

☐ AMENDED REPORT

7.500 (300) 410 3000 722 (300) 410-3002	WELL LOCATION AND	ACREAGE DEDICATION	PLAT	LI AMENDED REPORT
API Number	Pool Code		Pool Name	-
30-025-4269	21650	E-K Bone	Sprin	9
Property Code		perty Name		Well Number
	EK 29 BS2	FEDERAL COM		3H
OGRID No.	Oper	Elevation		
2 2-04W	McFI VAIN	ENERGY, INC		3943

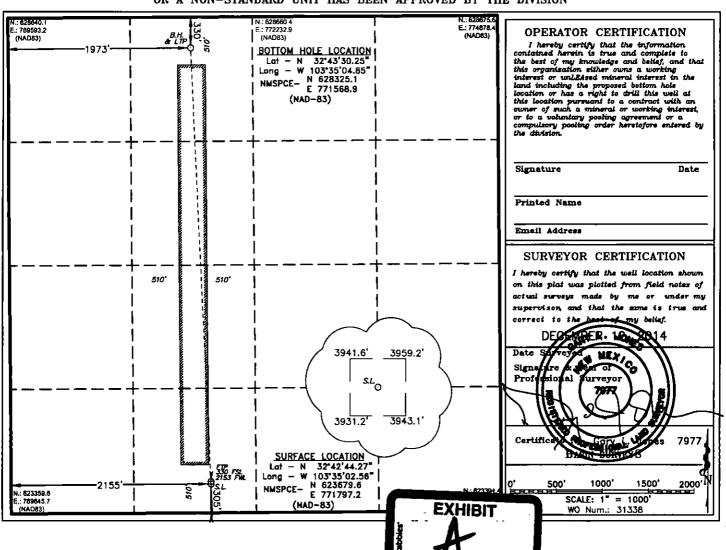
Surface Location

ĺ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	N	29	18 S	34 E		305	SOUTH	2155	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
С	29	18 S	34 E		330	NORTH	1973	WEST	LEA
Dedicated Acre	a Joint o	r Infill Co	nsolidation (Code Or	der No.	ſ			
						•			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



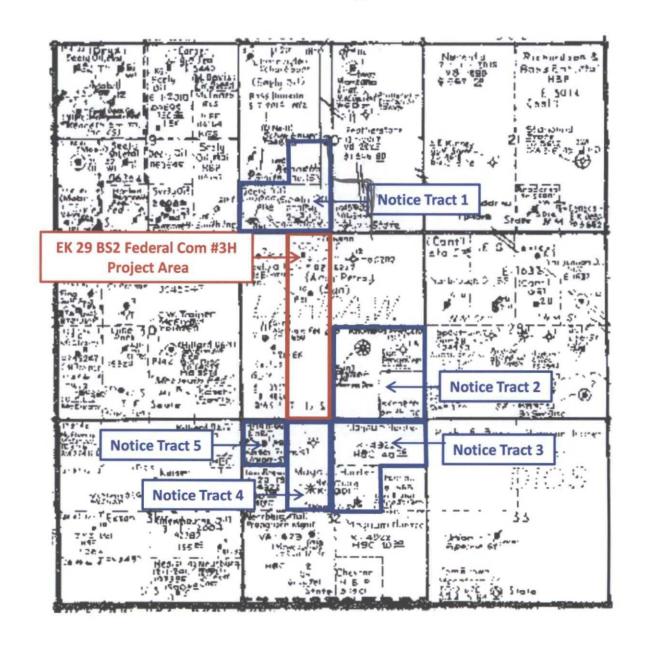




Exhibit C

Rhombus Energy	Rhombus Operating Co., Ltd.	Burk Royalty Company
P.O. Box 8316	200 N. Loraine, Suite 1270	P.O. Box 94903
Midland, TX 79708	Midland, Texas 79701	Wichita Falls, TX 76308
Loro Corporation P.O. Box 1250 Midland, TX 79702	Jack L Sappington and Elizabeth C. Sappington 3105 Stanolind Midland, TX 79705	Canaan Resources LLC One Leadership Square 211 North Robinson N1000 Oklahoma City, OK 73102
Olive Petroleum Inc	Diverse Energy Investments	Billy J. Cook
315 Carol Lane	820 Gessner Road, Suite 1350	2111 Northrup
Midland, TX 79705	Houston, TX 77024	Midland, TX 79705
Wesley W. Perry	Meriwether Resources Inc	McKay Oil Corp
P.O. Box 371	508 West Wall, Suite 1200	P.O. Box 2014
Midland, TX 79702	Midland, TX 79701	Roswell, NM 88202
Kerr-McGee OG Onshore LP	McKay Petroleum Corp	WTG Exploration INC
1999 Broadway #3700	P.O. Box 2014	401 West Wadley
Denver, CO 80202	Roswell, NM 88202	Midland, TX 79705
[address per google.com] 211 North Colorado Street Midland, TX 79701	Continental Compressor Corporation P.O. Box BRC Wichita Falls, TX 76307	[address per google.com] 5 Ruth Road Crested Butte, CO 81224
Matador E & P Company Inc	Viersen Oil & Gas	A.H. Gonzales Oil Co
8340 Meadow Road Suite 150	6450 South Lewis Suite 200	2195 Fallview Drive
Dallas TX 75231	Tulsa, OK 74136	Pueblo, CO 81006
Jo Ann Davis	Mewbourne Oil Company	[address per google.com]
2006 Gulf Avenue	P.O. Box 7698	3901 South Broadway Avenue
Midland, TX 79705	Tyler, TX 75711	Tyler, TX 75701

James D Moring and Dorothy D Moring, his wife 303 West Wall, Suite 1000 Midland, TX 79701

Brady M. Lowe 308 Comet Austin, TX 78734

DelMar Holdings LP, f/k/a Parks & Lettrell Inc 1221 Lamar, Suite 1328 Houston, TX 77010

Manta Oil & Gas Corp 508 West Wall Street, Suite 1250 Midland, TX 79701

Mexco Energy Corporation P.O. Box 10502 Midland, TX 79702

Don O. Chapell 2200 Ross Avenue, Suite 3838 Dallas, TX 75201 Coyote Oil and Gas, LLC P.O. Box 1708 Hobbs, NM 88241

R. C. Schlagal and Alice R. Schlagal, his wife 202 North Eisenhower Midland, TX 79701

S.E.S. Energy, Ltd P.O. Box 1250 Midland, TX 79702

EGL Resources Inc 508 West Wall Street, Suite 1250 Midland, TX 79701

C.W. Trainer P.O. Box 754 Midland, TX 79702

Altura Energy Ltd P.O. Box 1528 Monahans, TX 79756 Schlagal Brothers c/o E.G.L. Resources Inc P.O. Box 10886 Midland, TX 79702

CWM 2000-B II Ltd P.O. Box 7698 Tyler, TX 75711

Petraitis Oil & Gas INC 508 West Wall Street, Suite 1250 Midland, TX 79701

Finwing Corp 508 West Wall Street, Suite 1250 Midland, TX 79701

Marvin C. Gross P.O. Box 358 Roswell, NM 88202

COG Operating, LLC One Concho Center 600 W. Illinois Avenue Midland, Texas 79701

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Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 jlkessler@hollandhart.com

July 17, 2015

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO AFFECTED PARTIES

Re: Application of McElvain Energy, Inc. for administrative approval of an unorthodox well location for its EK 29 BS2 Federal Com No. 3H Well in the E/2 W/2 of Section 29, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Rick Harris McElvain Energy, Inc. (303) 962-6487 Rick. Harris@McElvain.com

Jordan L. Kessler

ATTORNEY FOR MCELVAIN ENERGY, INC.



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 JLKessler@hollandhart.com

August 12, 2015

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of McElvain Energy, Inc. for administrative approval of an unorthodox well location for its EK 30 BS2 Federal Com No. 1H Well in the E/2 E/2 of Section 30, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on July 17, 2015. You are receiving this letter pursuant to Division instructions to supplement notice. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Rick Harris McElvain Energy, Inc. (303) 962-6487 Rick. Harris@McElvain.com

Ý.

Sincerely.

Jordan L. Kessler

ATTORNEY FOR MCELVAIN ENERGY, INC.



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 ilkessler@hollandhart.com

August 12, 2015

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of McElvain Energy, Inc. for administrative approval of an unorthodox well location for its EK 29 BS2 Federal Com No. 3H Well in the E/2 W/2 of Section 29, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on July 17, 2015. You are receiving this letter pursuant to Division instructions to supplement notice. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Rick Harris McElvain Energy, Inc. (303) 962-6487 Rick. Harris@McElvain.com

Sincerely,

ATTORNEY FOR McElvain Energy, Inc.



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 jlkessler@hollandhart.com

August 12, 2015

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES

Re: Application of McElvain Energy, Inc. for administrative approval of an unorthodox well location for its EK 29 BS2 Federal Com No. 4H Well in the W/2 W/2 of Section 29, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on July 17, 2015. You are receiving this letter pursuant to Division instructions to supplement notice. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Rick Harris McElvain Energy, Inc. (303) 962-6487 Rick. Harris@McElvain.com

Bill Civity

Jordan L. Kessler

ATTORNEY FOR MCELVAIN ENERGY, INC.

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD

Sent: Thursday, August 13, 2015 1:05 PM

To: 'Jordan L. Kessler'
Cc: Michael Feldewert

Subject: RE: Supplemental notice for McElvain NSL applications

Please check the address for Matador on the 3H, Wednesday e-mail says Matador address has Suite 1500 initial application has Suite 1500. Suite 1500 is correct. Also your application had Addresss per google what is that? Mike

From: Jordan L. Kessler [mailto:JLKessler@hollandhart.com]

Sent: Wednesday, August 12, 2015 5:18 PM

To: McMillan, Michael, EMNRD

Cc: Michael Feldewert

Subject: Supplemental notice for McElvain NSL applications

Dear Mr. McMillan,

Pursuant to your instruction, we sent additional notice letters to parties on <u>August 12, 2015</u>, for the wells below. Parties were noticed where the diagonal encroachment by the completed interval was closer than 783 feet. Each party received a notice letter (attached) and a copy of the application requesting an unorthodox location.

The following additional tracts were provided notice of the NSL application:

EK 30 BS2 Fed Com No. 1H:

SW/4 of Section 20

EK 29 BS2 Fed Com No. 3H:

SE/4 of Section 20 and SW/4 of Section 20

EK 29 BS2 Fed Com No. 4H:

SW/4 of Section 20; SE/4 of Section 19

Please see the attached list of parties who were provided notice for each individual well. If you have any additional questions, please feel free to give me a call.

Best, Jordan

Jordan Lee Kessler

Associate
Holland & Hart LLP
110 North Guadalupe Suite 1
Santa Fe, NM 87501

EK 30 BS2 Fed Com No. 1H:

COG Operating, LLC One Concho Center 600 W. Illinois Avenue Midland, Texas 79701

EK 29 BS2 Fed Com No. 3H:

Matador Production Company One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, Texas 75240

EK 29 BS2 Fed Com No. 4H:

Santa Fe Exploration Co P.O. Box 9368 El Paso, TX 79845

Santa Fe Exploration Co P.O. Box 1136 Roswell, NM 88202

Cimarron Exploration Company 4401 North Mesa, Suite 201 El Paso, TX 79913

Cimarron Exploration Company 500 North Main Street #101 Roswell, NM 88201

Seely Oil Company 815 West 10th Street Fort Worth, TX 76102

Patricia Dean Boswell, Trustee under Revocable Trust Agreement dated June 13, 1988 1320 Lake Street Fort Worth, TX 76102

Burnett Oil Co 801 Cherry Street, Suite 1500 Fort Worth, TX 76102 CEB Oil Co 1320 Lake Street Fort Worth, TX 76102

Merlyn W. Dahlin and wife Ruth Dahlin 3220 North Freeway Fort Worth, TX 76111

EAB Oil Co 1320 Lake Street Fort Worth, TX 76102

Express Air Drilling Inc. 3838 Oak Lawn Avenue Two Turtles Creek Village Dallas, TX 75219

James Robert Hill, Virginia Glenn Hill Lattimore and John A Styrsky, Trustees of the Houston and Emma Hill Trust Estate 500 Throckmorton, Suite 2803 Fort Worth, TX 76102

James Robert Hill, Virginia Glenn Hill Lattimore and John A Styrsky, Trustees of the 500 West 7th Street, Suite 1802 Unit 16 Fort Worth, TX 76102

John P. Oil Co. 1320 Lake Street Fort Worth, TX 76102

PVB Oil Company 1320 Lake street Fort Worth, TX 76102

J. Cleo Thompson and James Cleo Thompson Jr. 325 North St. Paul, Suite 4300 Dallas, TX 75201

Wes-Tex Drilling Company P.O. Box 3739 Abilene, TX 79604 SSV&H Associates 815 West 10th Street Fort Worth, TX 76102

Linda Sheryl Seely Van Sickle 901 North Craig Street Victoria, TX 77901

Michael J Havel and wife Kathleen A Havel 7607 Chalkstone Dallas, TX 75248

David L Henderson and wife Dawn Henderson 815 West 10th Street Fort Worth, TX 76102

Santa Fe Operating partners 550 West Texas, Suite 1300 Midland, TX 79701

Santa Fe Operating partners 840 Gessner #1400 Houston, TX 77024

TOC- Gulf P.O. Box 2159 Dallas, TX 75221

Bellwether Exploration Company 1221 Lamar, Suite 1600 Houston, TX 77010

Pure Energy Group Inc 153 Treeline Park, Suite 220 San Antonio, TX 78209

Apache Corporation 2000 Post Oak Boulevard, Suite 100 Houston, TX 77056

Manix Royalty Ltd., f/k/a Fenix Royalty LLC P.O. Box 2818 Midland, TX 79702

T.H. McElvain 1050 17th Street, Suite 2500 Denver, CO 80265

The Ibex Company, a partnership composed of Lester Clark, H. B. Street, E. Bruce Street and M. Boyd Street 300 North Breckenridge Avenue Breckenridge, TX 76424

Conoco Phillips Company, f/k/a Continental Oil Company P.O. Box 2197 Houston, TX 77252

Pennzoil United Inc, 100 West 10th Street Wilmington, DE 19801

Tuco Inc. 6900 West Interstate 40 Amarillo, TX 79106

Patsy B. Carr 3004 Speedway Avenue Wichita Falls, TX 76308

C. W. Stumhoffer 3108 Overton Parks Drive Fort Worth, TX 76109

Rorkes Drift LLC 207 South Fourth Street Artesia, NM 88210