Form 3169-3 June 2040PR 0.4 2016 EXCEPTION OF CONTROL OF LAND OF DATA DATA STREET STREET OF THE INTERIOR BUREAD OF LAND MANAGEMENT Stress Serial No. RECEIVE DEPARTMENT OF THE INTERIOR BUREAD OF LAND MANAGEMENT Stress Serial No. Application FOR PERMIT TO DRILL OR REENTER Stress Serial No. 1a. Type of work: DBLLL REENTER 1b. Type of Well: Oil Well Gas Well Other 1b. Type of Completion: Hydraulic Fracturing TS Single Zone Multiple Zone Stress Name and Well No. 2b. Nume of Operator Hydraulic Fracturing TS Single Zone Multiple Zone Stress Name and Well No. 2b. Nume of Operator Hydraulic Fracturing TS Single Zone Multiple Zone 9. API Well No. Stress Name and Well No. 2b. Nume of Operator Mell No. Stress Name and Well No. Stress Name and No. Stress Name and No. 1cation of Well (Papor location dearboard and conduction with any Sider requirements.') No. This and Survey or Area Stress Name and No. 1cation of Well (Papor location dearb and an accountee with any Sider requirements.') I. Sec, T. R. M. or BIS and Survey or Area Stress Transmarket.') 1cation of Well (Papor location dearb and nancomeanter with any Sider requirements.') I. Sec, T. R. M. or BIS and Survey or		; }			1 1	, -	-1
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Anne of Operator MEELVAIN ENERCY, INC. Address 1050547 ch. / ST. // SUFTR 2500 // SUFTR 250	1b. Type of Well: Oil Well Gas Well O	ther			8. Lease Name and	d Well No.	
MC_ELVAIN_ENERGY, INC. 230-414 30-205	1c. Type of Completion: Hydraulic Fracturing XX Si	ingle Zone		<u> </u>	EK 30 BS2	FEDER	AL COM 3H
1030-87-01 303-893-0933 EK_BONE SPRING <2164	2. Name of Operator MCELVAIN ENERGY, INC.	1	A I VILLE LE OF			43	150
4. Location of Well (Report location of and in accordance with any State requirements ?) 11. Scc, T. R. M. or Bilk, and Survey or Arfa At starface 100 'FST_6 1261' FWL SECTION 30 T18S-R34E 11. Scc, T. R. M. or Bilk, and Survey or Arfa At proposed pind, zone 230' FNL & 1980' FWL SECTION 30 T18S-R34E SECTION 30 T18S-R34E A Destance in miles and director from network (www or period SS*, New Mexico 12. Country or Parish Lea Jobstance from proposed 100 ' Jobstance from proposed pind, zone 230' FNL & 1980' FNL SECTION 30 T18S-R34E 13. State New Mexico Jobstance from proposed pind, zone 230' FNL & 1980' FNL SECTION 30 T18S-R34E 13. State New Mexico Jobstance from proposed pind, zone 230' FNL & 1980' FNL SECTION 30 T18S-R34E 13. State New Mexico Jobstance from proposed pind, zone 230' FNL & 100' 1111 160 (Also to nearest well, drilling, completed, applied for, on this lease, ft. No 14. 478'. COB#000010 State from Show whether DF, KDB, RT, GL, etc.) 24. Attachments 23. Estimated duration 30 Days 24. Attachments The following, completed in accordance with the requirements of Onshore OII and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 33. State No as a splitable 30 Days 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless coveried by an existing bon	3a. Address1050507th/ST.SSUETE 25007E DENVER, COLORADO 80265-2080	36. Phone N 303-8	o. <i>{include lifea coo</i> 93-0933	të)			
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APR 1 4 2016

McELVAIN ENERGY, INC. EKEBO"BS2 FEDERAL COM #3H UNUT "M" SECTION 30 SECTION 30 LEA CO. NM T18S-R34E

In responce to questions asked under Section II of Bulletin NTL-6, the following
information on the above well will be provider.
T TOT TOT S 12611 THE CROWTON 20 TIRE IFA CO NW
1. LOCATION: SL 100' FSL & 1261' FWL SECTION 30 T18S-R34E LEA CO NM BHL 230' FNL & 1980' FWL SECTION 30 T18S-R34E LEA CO NM
2. <u>ELEVATION ABOVE SEA LEVEL:</u> 3866' GL
3. GEOLOGICAL NAME OF SURFACE FORMATION: Quaternery Acolian Deposits;
4. DRILLING TOOLS AND ASSOCIATED EQUIPMENT: Conventional rotary drilling rig using
drilling mud as a circulating medium for the removal of solids
5. PROPOSED DRILLING DEPTH: TVD-9802'
MD-14,798'
6. ESTIMATED TOPS OF GEOLOGICAL FORMATIONS:
Rustler Anhydrite 1683' 1st Delaware Sand 5448' 2nd Bone SpringSd. 9508
Salt 1743' 2nd Delaware Sand 5733' Target Window 9908
Queen 4433' Bone Spring 7623'
Delaware 5408' 1st Bone Spring Sand 8958'
7. POSSIBLE MINERAL BEARING FORMATIONS:
Yates Oil/Gas//Water lst DelawareSd. Oil/Gas/Water lst BoneSpring O/G
Penrose Oil/Gas/Water 2nd Delaware Sd. Oil/Gas/Water 2nd BoneSpring O/G
Delaware Oil/Gas/Water Bone Spring Sd. Oil/Gas/Water
HOLE STZE INTERNAL CASTNO OD INTERNAL CONTRACTOR
HOLE SIZE INTERVAL CASING OD WEIGHT THREAD COLLAR GRADE CONDITION
26" 0-80" 17 1/2" NA NA NA CONDUCTOR NEW
1750'
17 1/2" 0-1710 [™] 13 3/8 [™] 54.5# 8-R ST&C J-55 NEW
12 1/4" 0-4800' 9 5/8" 40# 8-R LT&C L-80 NEW
8 1/2" 0-14,798' 5 1/2" 17# BPN HCP-110 NEW
Buttress
CASING SAFETY FACTORS: Collapse 1.125 Burst 1.00 Body Yield 1.5

Joint Strength

8-Round 1.8 Buttress 1.6

Page 1

1.1

McELVAIN ENERGY, INC. EK#30"BS2 FEDERAL COM #3H UNUT "M" SECTION 30 T18S-R34E LEA CO. NM

9. CASING SETTING DEPTHS AND CEMENTING:

20"°C	[Conductor

· .

Set 80' of 20" conductor pipe and cement to surface with Redi-mix. 1750'

13 3/8" Surface

Run and set 1710' of 13 3/8" 54.5# J-55 ST&C casing cement with 990 Sx. of Class "C" Lead cement + 3% BWOC light weight additive. 8.88 gal mix water + 1% CaCl, Yield 1.68 ft3/Sx, 100% Excess, tail in with 545 Sx. of Class "C" cement + 1% CaCl, 6.43 gal/Sx. mix water; Wield 1.34 ft3/Sx. 100% Excess Top of cement surface.

• •	9 5/8"	Intermediate
Additio	nal	be
amont	100	GeeA
requir	ed	
- 0	5 <u>*</u>	Production

RRun and set 4800' of 9 5/8" 40# L-80 LT&C casing. Cement with 975 Sx. of 35/65 Class "C" lead cement==6% Gel, + 5% salt, + 0.4% Retarder, + LTEM, + 10.00 gal/Sx mix water.12.9ppg. Yield 1,69 ff3#Sx. 50% Excess, tail in with 190 Sx. of Class "C" cement + LCM, + 6.32 gal/Sx mix water, 14.8pppg. Yield 1.32 ft3/Sxx 50% Excess circulate cement to surface.

Run and set 14,798' of 5½" 17# HCP-110 BNP 2885118. Cement with 590 Sx. of 50/50 Class "H" lead cement + 2% Gel, +loca fluid loss additive, 15.95gal/Sx. mix water, Yield 2667, tail in with 1225 Sx. of 50/50 POZCClass "H" cement + 2% Gel, fluid loss additive, thinners, and retarders 14.5#/gal Yield 1.23ft3/Sx. 25% Excess, top of cement 4300'.

10. PRESSURE CONTROL EQUIPMENT: -

Exhibit "E" shows a 3000 PSI working pressure B.O.P. consisting of a packoff an annular bag type preventor, blind rams, and pipe rams. A 13 5/8" B.O.P. will be nippled up on the 13 3/8" surface casing and will remain on the hole till the 9 5/8" intermediate casing is run. It will be tested by a third party testing company to 2000 PSI. A 11" 5000PSI B.O.P. will be nippled up the hole for the drilling of the production hole. It will be tested by a third party testing company to 5000 PSI. The B.O.P.s will be operated at least once in each 24 hour period and the blind rams will be operated when the drill pipe is out of the hole. A full opening stabbing valve and an upper kelly cock will be available on the derrick floor at all times and will be compatible with the drill pipe that is in use while drilling this well. Exhibit "E-1" shows a 3" 5000 PSI choke manifold with a manual choke and a hydraulically operated remote choke. The choke manifold will be a rigid connection to the B.O.P.. No abnormal pressures or temperatures are expected while drilling of this well. Other wells drilled in this near vicinity have not encountered any abnormal pressures or temperatures. No H2S is expected to be encountered.

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11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT. VISC.	FLUID LOSS	TYPE MUD SYSTEM
1750' 0-12 10 -	9.4-9.4 30-36	NC	Fresh water spud mud. add paper to combat
			seepage, and use high viscosity sweeps to clean hole
1710-4800'	9,8-10,2 28-32	NC	Brine water use paper t to control seepageand u
			paper to control seepag use high viscosity swee to clean hole
4800-14,798'	8.7-9.2 28-32	12-15 cc	Cut Brine add Dynazan starch.HB-411 to control water loss and maintain hole stability

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, cut cores, and run casing, the viscosity, water loss, and other properties may have to be altered to meet these requirements. Pit levels will be monitered visually, and an electronic pit level indicator will be employed.

THIS WELL BE DRILLED USING A CLOSED MUD SYSTRM

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12. LOGGING, CORING, AND TESTING PROGRAM:

A. Open hole logs: Dual Laterolog, SP, Gamma Ray, Caliper, Neutron Density, from 9455' back to 4800'. Gamma Ray Neutron back to surface.

B. Rig up mud logger on hole at 3500' and keep on hole to TD.

C. No DST's and no cores are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No.6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drillthis well. Estimated Bottom Hole Pressure 4250 PSI, and Estimated BHT 150°F.

14. ANTICIPATED STARTING AND DURATION OF OPERATION:

Road and locationcconstruction will begin after the BLM has approved the APD. Anticipated spud date would be as soon as the location construction and a rig becomes available. Move in operation and drilling is expected to take 40 days. If production casing is run then an additional 40 days will be needed to compacte the well and construction of production facilities, and lay flowlines to place well on production.

15, OTHER FACETS OF PRODUCTION:

McElvain Energy, Inc. plan on drilling eight wells off of a single drilling pad. There will be 4 horizontal wells in the Bone Spring formation and 4 wells in the Wolfcamp formation, these wells will conform with the Mew Mexico Oil Conservation Division rules. A combined tank battery will be constructed on the West side of the drilling pad that will satisfy both formation's production, when the drilling of wells has been completed reclamation on the North and The South side of the drilling pad of 100'X520' on the North and 100'X5565' on the South will be constructed.

McElvain Energy, Inc. will apply for a Non-Standard Location with the NMOCD to comply with the subject well.

The plan for this well is to move in a spudder rig and drill conductor hole and 1750' cement conductor pipe in place. Then the rig would drill the surface hole to 1710'. then run 1746' of 13 3/8" 54.5# J-55 ST&C casing. Addrement company would be hired to cement the surface casing in place, the spudder rig would be kept over hole till it was sure the cement job meets all COA's per the APD. At this point MEI would weld a steel plate with appressure gage to ensure that no debree can enter the holeand would allow the BLM personnel to inspect it to see that no pressure build up occurs. Then within 30-60 days a drilling rig would be moved and rigged up on the location and drill to TD, run casing and complete well for production.

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