

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

**HOBBS OGD** State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-129  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

SEP 19 2016  
**RECEIVED**

NFO Permit No. \_\_\_\_\_  
(For Division Use Only)

### 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 17<sup>th</sup> Street Ste 2500, Denver CO, 80265

hereby requests an exception to Rule 19.15.18.12 for 180 <sup>90</sup> days or until

\_\_\_\_\_, Yr \_\_\_\_\_, for the following described tank battery (or LACT):

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 15 barrels per day, the estimated \* volume  
of gas to be flared is 30 MCF; Value \$85 per day.

C. Name and location of nearest gas gathering facility:

Frontier Field Services

D. Distance \_\_\_\_\_ Meter at site \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_ Connected/Non-Marketable Gas

E. This exception is requested for the following reasons: Continued crude oil recovery

Frontier Field Services, has denied McElvain access to the pipeline on six wells (McElvain #2, #5, #6, #7, #8, & #9) 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 28 Mcfd until which time Frontier Field Services can resume transportation, or MEI can find an alternate transporter, whichever happens first.

#### 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 Tony Cooper

Printed Name  
& Title TONY COOPER - SR EHS SPECIALIST

E-mail  
Address TONYC@MCELVAIN.COM

#### OIL CONSERVATION DIVISION

Approved Until 12/18/2014

By Marys Brown

Title Dist Supervisor

Date 9/19/2016