

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM 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.

Lease Serial No.  
NM0245247

**Carlsbad Field Office**  
**CD Hobbs**  
**HOBBS OCL**  
**AUG 08 2017**  
**RECEIVED**

**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	8. Well Name and No. EK 30 BS2 FEDERAL COM 2H
2. Name of Operator MCELVAIN ENERGY INC	9. API Well No. 30-025-43883-00-X1
3a. Address 1050 17TH STREET SUITE 2500 DENVER, CO 80265	10. Field and Pool or Exploratory Area EK-BONE SPRING
3b. Phone No. (include area code) Ph: 303-893-0933 Ext: 331	11. County or Parish, State LEA COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T18S R34E SESE 150FSL 876FEL 32.711872 N Lat, 103.593895 W Lon	

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 Change to Original APD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recomplete 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 recompletion 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 submitting this sundry in order to use a choke hose on H&P rig 262 instead of hard piping. The attached literature describes the hose and its capabilities. Anchor requirements, specification sheet, and hydrostatic pressure test certification matching the hose in service, will be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #380188 verified by the BLM Well Information System  
For MCELVAIN ENERGY INC, sent to the Hobbs  
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/20/2017 (17PP0498SE)**

Name (Printed/Typed) CHRIS CAPLIS	Title VP DRILLING
Signature (Electronic Submission)	Date 06/29/2017

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>Mustafa Hague</u>	Title <b>PETROLEUM ENGINEER</b>	Date <u>8-1-2017</u>
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 <u>CFO</u>	

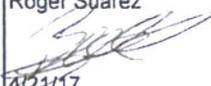
**APPROVED**  
AUG 1 2017  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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.

*KZ*

# Hydrostatic Test Certificate

ContiTech

Certificate Number 953233		COM Order Reference 953233		Customer Name & Address		
Customer Purchase Order No:		740053080		HELMERICH & PAYNE DRILLING CO 1434 SOUTH BOULDER AVE TULSA, OK 74119 USA		
Project:				USA		
Test Center Address		Accepted by COM Inspection		Accepted by Client Inspection		
ContiTech Oil & Marine Corp. 11535 Brittmoore Park Drive Houston, TX 77041 USA		Signed: Roger Suarez  Date: 4/21/17				

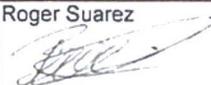
We certify that the goods detailed hereon have been inspected as described below by our Quality Management System, and to the best of our knowledge are found to conform the requirements of the above referenced purchase order as issued to ContiTech Oil & Marine Corporation.

Item	Part No.	Description	Qty	Serial Number	Work. Press.	Test Press.	Test Time (minutes)
10		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	54503	10,000 psi	15,000 psi	60
20		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	62414	10,000 psi	15,000 psi	60

# Certificate of Conformity



ContiTech

<b>Certificate Number</b> 953233	<b>COM Order Reference</b> 953233	<b>Customer Name &amp; Address</b>	
<b>Customer Purchase Order No:</b> 740053080		HELMERICH & PAYNE DRILLING CO 1434 SOUTH BOULDER AVE TULSA, OK 74119 USA	
<b>Project:</b>			
<b>Test Center Address</b>	<b>Accepted by COM Inspection</b>	<b>Accepted by Client Inspection</b>	
ContiTech Oil & Marine Corp. 11535 Brittmoore Park Drive Houston, TX 77041 USA	Signed: Roger Suarez  Date: 4/21/17		

We certify that the items detailed below meet the requirements of the customer's Purchase Order referenced above, and are in conformance with the specifications given below.

Item	Part No.	Description	Qty	Serial Number	Specifications
10		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	54503	ContiTech Standard
20		RECERTIFICATION - 3" ID 10K Choke and Kill Hose x 35 ft OAL	1	62414	ContiTech Standard



# Hose Inspection Report

ContiTech Oil & Marine

Customer	Customer Reference #	COM Reference #	COM Inspector	Date of Inspection
H&P Drilling	740053080	953233	A. Jaimes	04/20/2017

<b>Hose Manufacturer</b>	Contitech Rubber Industrial
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Hose Serial #	54503	Date of Manufacture	01/2009
Hose I.D.	3"	Working Pressure	10000PSI
Hose Type	Choke and Kill	Test Pressure	15000PSI
Manufacturing Standard	API 16C		

**Connections**

<b>End A:</b> 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange	<b>End B:</b> 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange
• No damage	• No damage
<b>Material:</b> Carbon Steel	<b>Material:</b> Carbon Steel
<b>Seal Face:</b> BX155	<b>Seal Face:</b> BX155
<b>Length Before Hydro Test:</b> 35'	<b>Length After Hydro test:</b> 35'

**Conclusion:** Hose #54503 passed the external inspection with no damage to the hose armor. Internal borescope of the hose showed no damage to the liner. Hose #54503 passed the hydrostatic pressure test by holding a pressure of 15,000PSI for 60 minutes. Hose #54503 is suitable for continued service.

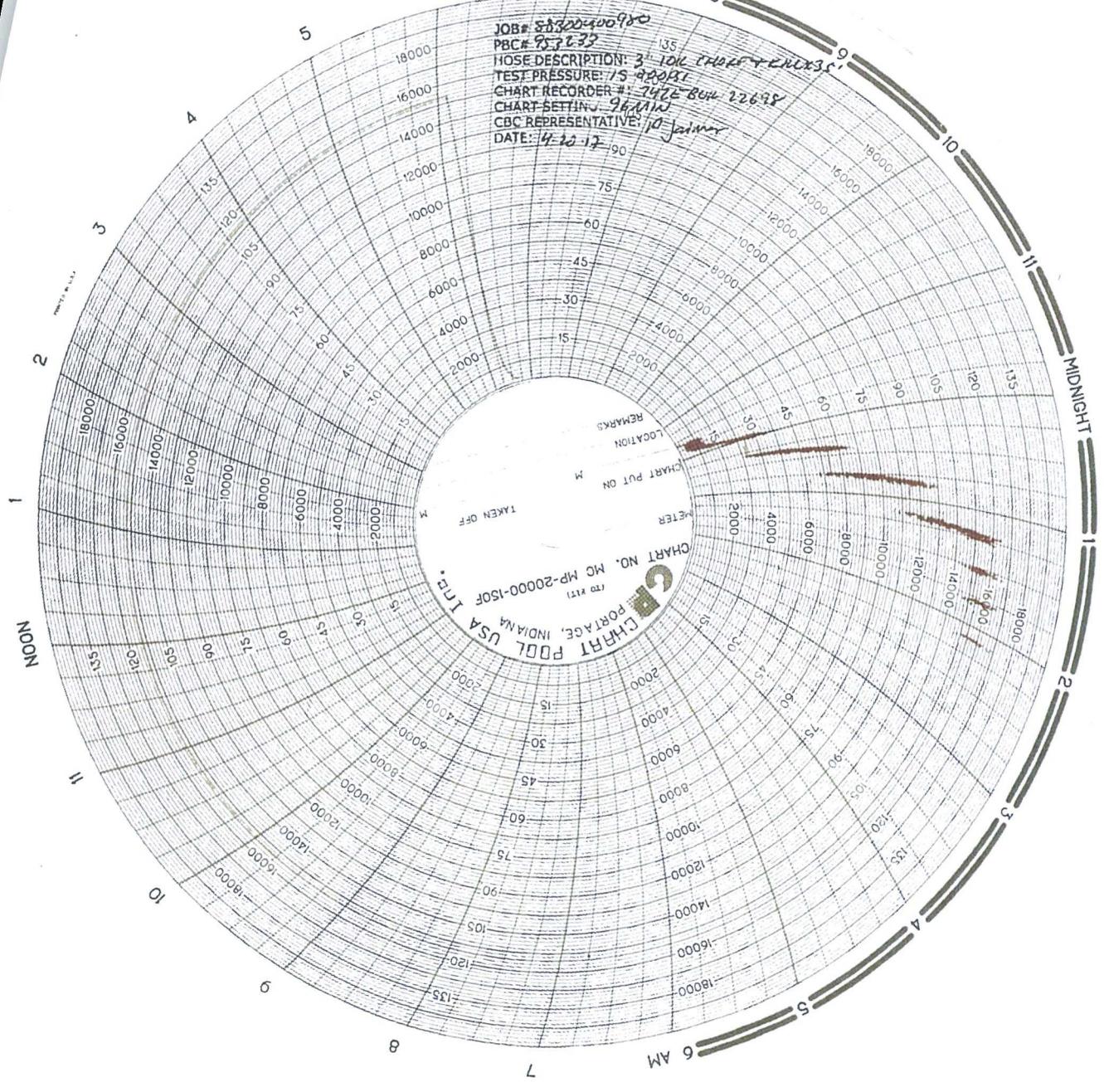
**Recommendations:** In general the hose should be inspected on a regular on-going basis. The frequency and degree of the inspection should as a minimum follow these guidelines:

- Visual inspection: Every 3 to 6 months (or during installation/removal)
- Annual: In-situ pressure test (in addition to the 3 to 6 monthly inspections)
- Initial 5 years service: Major inspection
- 2<sup>nd</sup> Major inspection: Following subsequent 3 year life cycle
- (Detailed description of test regime available upon request, QCP 206-1)

**\*\*NOTE:** There are a number of critical elements in the hose that cannot be thoroughly checked through standard inspection techniques. Away from dissecting the hose body, the best way to evaluate the condition of the hose is through review of the operating conditions recorded during the hose service life, in particular maximums and peak conditions.

62414

JOB# 58320400980  
PBC# 252233  
HOSE DESCRIPTION: 3 10M HOSE & ACCESS.  
TEST PRESSURE: 15 000 PSI  
CHART RECORDER #: 7472-804 22698  
CHART SETTING: 96 MIN  
CBC REPRESENTATIVE: JD Janner  
DATE: 4-20-12



REMARKS  
LOCATION  
CHART PUT ON  
METER  
TAKEN OFF

CHART NO. MC MP-20000-150F  
CHART POOL USA, INC.  
PORTAGE, INDIANA

# Hose Inspection Report

ContiTech Oil & Marine

Customer	Customer Reference #	COM Reference #	COM Inspector	Date of Inspection
H&P Drilling	740053080	953233	A. Jaimes	04/20/2017

<b>Hose Manufacturer</b>	Contitech Rubber Industrial
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<b>Hose Serial #</b>	62414	<b>Date of Manufacture</b>	06/2012
<b>Hose I.D.</b>	3"	<b>Working Pressure</b>	10000PSI
<b>Hose Type</b>	Choke and Kill	<b>Test Pressure</b>	15000PSI
<b>Manufacturing Standard</b>	API 16C		

### Connections

<b>End A:</b> 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange	<b>End B:</b> 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange
• No damage	• No damage
<b>Material:</b> Carbon Steel	<b>Material:</b> Carbon Steel
<b>Seal Face:</b> BX155	<b>Seal Face:</b> BX155
<b>Length Before Hydro Test:</b> 35'	<b>Length After Hydro test:</b> 35'

**Conclusion:** Hose #62414 passed the external inspection with no damage to the hose armor. Internal borescope of the hose showed no damage to the liner. Hose #62414 passed the hydrostatic pressure test by holding a pressure of 15,000PSI for 60 minutes. **Hose #62414 is suitable for continued service.**

**Recommendations:** In general the hose should be inspected on a regular on-going basis. The frequency and degree of the inspection should as a minimum follow these guidelines:

- Visual inspection: Every 3 to 6 months (or during installation/removal)
- Annual: In-situ pressure test (in addition to the 3 to 6 monthly inspections)
- Initial 5 years service: Major inspection
- 2<sup>nd</sup> Major inspection: Following subsequent 3 year life cycle
- (Detailed description of test regime available upon request, QCP 206-1)

**\*\*NOTE:** There are a number of critical elements in the hose that cannot be thoroughly checked through standard inspection techniques. Away from dissecting the hose body, the best way to evaluate the condition of the hose is through review of the operating conditions recorded during the hose service life, in particular maximums and peak conditions.

**Issued By:** Alejandro Jaimes  
**Date:** 04/21/2017

**Checked By:** Gerson Mejia-Lazo  
**Date:** 04/21/2017

**Page 1 of 1**  
**QF97**

**PECOS DISTRICT  
DRILLING CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	McElvain Energy Inc.
LEASE NO.:	NMNM0245247
WELL NAME & NO.:	2H – EK 30 BS2 Federal Com
SURFACE HOLE FOOTAGE:	150'/S & 876'/E
BOTTOM HOLE FOOTAGE:	230'/N & 1980'/E
LOCATION:	Section 30 T.18 S., R.34 E., NMPM
COUNTY:	Lea County, New Mexico

**All previous COAs still apply, except for the following:**

1. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

**MHH 08012017**