

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

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.

5. Lease Serial No.
NMNM0245247

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
EK 29 BS2 FEDERAL COM 4H

9. API Well No.
30-025-42700

10. Field and Pool or Exploratory Area
EK BONE SPRING

11. County or Parish, State
LEA COUNTY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

OCT 03 2017
RECEIVED

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MCELVAIN ENERGY INC. Contact: TONY G COOPER
E-Mail: tony.cooper@mcelvain.com

3a. Address
1050 17TH ST STE. 2500
DENVER, CO 80265

3b. Phone No. (include area code)
Ph: 303-893-0933 Ext: 331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 30 T18S R34E Mer NMP 175FSL 100FEL

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 checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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 recomplate 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 would like to set a 8' x 30' temporary trailer at the EK 29 BS2 Federal Com 4H (see attached image for placement on well pad). We need to give our field personnel somewhere to get out of the heat.

See attached COA's.
Approved. CCR. 09/11/2017. See COA's For DOI-BLM-NM-P000-2015-962-EA.

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

Electronic Submission #380742 verified by the BLM Well Information System
For MCELVAIN ENERGY INC., sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 07/11/2017 ()

Name (Printed/Typed) CHRIS CAPLIS Title VP DRILLING

Signature (Electronic Submission) Date 07/07/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Cody J. [Signature] Title AFM - Carlsbad [Signature] Date 09/14/17

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 CFO

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.

(Instructions on page 2)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

[Signature]



Sales Meters

8' x 30' Trailer (Temp)

Google Earth
Earth Point

Imagery Date: 2/7/2012 32°42'43.65" N, 103°35'27.79" W, elev: 3911 ft, eye at: 4864 ft

NEPA Log No: IT4RM-P020-2017-0818-DNA

Project Type:

Reference Number:

Project Title: EK 29 BS2 Federal Com 4H

Project Lead: Colleen Cepero Rios

Applicant: McElvain Energy Inc.

Recd Date: 07-12-2017

Routing Started: 07-12-2017

NEPA Checklist

Resource/Activity	Not Present	Not Impacted	**May be Impacted	Reviewer	COAs/Stips Req	Sign Off Date
Wastes, Hazardous or Solid	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Colleen Cepero Rios	<input type="checkbox"/>	09-12-2017
Public Health and Safety	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Environmental Justice	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	Colleen Cepero Rios	<input type="checkbox"/>	07-12-2017
General Topography/Surface Geology	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Socio Economics	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Lands/Realty, ROW	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Colleen Cepero Rios	<input type="checkbox"/>	07-12-2017
Access/Transportation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>			
Vegetation/Forestry	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Susan Britt	<input type="checkbox"/>	07-26-2017
Livestock Grazing	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>			
Invasive, Non-Native Species	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Soils	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Chelsie Dugan	<input type="checkbox"/>	08-29-2017
Air Quality	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Floodplains	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Chelsie Dugan	<input type="checkbox"/>	08-29-2017
Water Quality Surface/Ground	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Watershed	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Mineral Materials	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Colleen Cepero Rios	<input type="checkbox"/>	08-16-2017
Potash	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	James Rutley	<input type="checkbox"/>	07-12-2017
Endangered Species	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Cassandra Brooks	<input type="checkbox"/>	07-12-2017
Wetlands/Riparian Zones	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>			
Special Status Species	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Wildlife Habitat	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Karst Resources	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Colleen Cepero Rios	<input type="checkbox"/>	08-16-2017
ACECs	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Cassandra Brooks	<input type="checkbox"/>	07-12-2017
Wild/Scenic Rivers	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Colleen Cepero Rios	<input type="checkbox"/>	08-16-2017
Wilderness	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>			
Outdoor Recreation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Visual Resources	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>			
Native American Religious Concerns	<input checked="" type="radio"/>	Unknown				
Cultural Resources	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Stephanie Bergman	<input type="checkbox"/>	09-11-2017
Paleontology	<input checked="" type="radio"/>	Unknown				

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Pecos District
Carlsbad Field Office
620 E Greene Street
Carlsbad, NM 88220

DECISION RECORD

for the

EK 29 BS2 Federal Com 4H

NEPA No. DOI-BLM-NM- P020-2017-0392-DNA

I. Decision

I have decided to select the proposed action for implementation as described in the 7/12/2017, EK 29 BS2 Federal Com 4H DOI-BLM-NM-P020-2017-0392-DNA. Based on my review of the Environmental Assessment (EA) and project record, I have concluded that the proposed action was analyzed in sufficient detail to allow me to make an informed decision. I have selected this alternative because the proposed treatments will provide reasonable access to oil and gas development.

II. Finding of No Significant Impact

I have reviewed the direct, indirect and cumulative effects of the proposed activities documented in the EA for the DOI-BLM-NM-P020-2017-0392-DNA. I have also reviewed the project record for this analysis. The effects of the proposed action are disclosed in the Environmental Consequences sections of the EA. I have determined that the proposed action as described in the EA will not significantly affect the quality of the human environment. Accordingly, I have determined that the preparation of an Environmental Impact Statement is not necessary.

III. Other Alternatives Considered

No reasonable action alternative was substantially different in design or effects from the proposed action for this project. Therefore no other alternative was considered or analyzed.

Other action alternatives were substantially similar in design and had sustainably similar effects to the proposed action alternative analyzed in the EA. Therefore no other alternative was considered or analyzed.

IV. Public Involvement

The Carlsbad Field Office (CFO) publishes a NEPA log for public inspection. This log contains a list of proposed and approved actions in the field office. The log is located in the lobby of the CFO as well as on the BLM New Mexico website (https://eplanning.blm.gov/epl-front-office/eplanning/nepa/nepa_register.do).

V. Appeals

This decision may be appealed to the Interior Board of Land Appeals (IBLA), Office of the Secretary, in accordance with the regulations contained in 43 CFR Part 4. Any appeal must be filed within 30 days of this decision. Any notice of appeal must be filed with the, Carlsbad Field Manager, at 620 E. Greene St., Carlsbad, NM 88220. The appellant shall serve a copy of the notice of appeal and any statement of reasons, written arguments, or briefs on each adverse party named in the decision, not later than 15 days after filing such document (see 43 CFR 4.413(a)). Failure to serve within the time required will subject the appeal to summary dismissal (see 43 CFR 4.413(b)). If a statement of reasons for the appeal is not included with the notice, it must be filed with the IBLA, Office of Hearings and Appeals, U. S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of

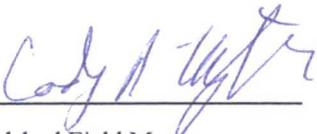
appeal is filed with the IBLA, Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300 Arlington, VA 22203 within 30 days after the notice of appeal is filed with the Carlsbad Field Manger.

Notwithstanding the provisions of 43 CFR 4.21(a)(1), filing a notice of appeal under 43 CFR Part 4 does not automatically suspend the effect of the decision. If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal.

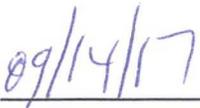
A petition for a stay is required to show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied;
- (2) The likelihood of the appellant's success on the merits;
- (3) The likelihood of immediate and irreparable harm if the stay is not granted; and
- (4) Whether the public interest favors granting the stay.

In the event a request for stay or an appeal is filed, the person/party requesting the stay or filing the appeal must serve a copy of the appeal on the Office of the Field Solicitor, 1100 Old Santa Fe Trail, Santa Fe, NM 87505.



Carlsbad Field Manager



Date

Worksheet
Determination of NEPA Adequacy (DNA)
U.S. Department of the Interior
Bureau of Land Management

OFFICE:	Carlsbad Field Office
TRACKING NUMBER:	DOI-BLM-NM-P020-2017-0392-DNA
CASEFILE/PROJECT NUMBER:	NMNM0245247
PROPOSED ACTION TITLE/TYPE:	EK 29 BS2 Federal Com 4H Temporary Trailer
LOCATION/LEGAL DESCRIPTION:	Sec 30 T18S R34E
APPLICANT:	McElvain Energy Inc.

A. Description of the Proposed Action

McElvain Energy Inc. (McElvain) is proposing through sundry notice to set a temporary trailer. The trailer would be set up on an existing approved well pad for the EK 29 BS2 Federal Com 4H. The size of the trailer is 8' x 30' and it would be located on the southwest side of the location. A trailer is necessary for field personnel.

The project location is as follows:

EK 29 BS2 Federal Com 4H
Section 30, T18S, R34E, Mer NMP, 175 FSL, 100 FEL

Figure 1 Proposed location for temporary trailer



Mitigation Measures: The previously-approved Pecos District Conditions of Approval would apply to this proposed project.

B. Land Use Plan (LUP) Conformance

LUP Name*	Carlsbad Resource Management Plan (RMP)	Date Approved	September of 1988
Other document	Carlsbad Approved Resource Management Plan Amendment (RMPA) and Record of Decision	Date Approved	October 1997
Other document	Special Status Species Record of Decision and Approved Resource Management Plan Amendment	Date Approved	April 2008

** List applicable LUPs (for example, resource management plans; activity, project, management, or program plans; or applicable amendments thereto)*

The proposed action is in conformance with the applicable LUP because it is specifically provided for in the following LUP decisions:

October 1997 Carlsbad Approved Resource Management Plan Amendment and Record of Decision, p. 4 which states:

Provide for the leasing, exploration and development of oil and gas resources within the Carlsbad Resource Area. Approximately 3,907,700 acres (95% of the oil and gas mineral estate) will be open to leasing and development under the BLM's standard terms and conditions, the Surface Use and Occupancy Requirements, the Roswell District Conditions of Approval, and the Practices for Oil and Gas Drilling and Operations in Cave and Karst Areas.

The proposed action is in conformance with the LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decisions (objectives, terms, and conditions):

Not Applicable

C. Identify the applicable National Environmental Policy Act (NEPA) document(s) and other related documents that cover the proposed action.

This proposed action is covered by the original Environmental Assessment for EK 29 BS2 Federal Com 4H, **DOI-BLM-NM-P020-2015-962-EA**.

The project falls within the area covered by the Permian Basin Memorandum of Agreement (MOA). The Permian Basin MOA is an optional method of compliance with Section 106 of the National Historic Preservation Act for energy related projects in a 28 quadrangle area of the Carlsbad Field Office. The MOA is a form of off-site mitigation which allows industry to design projects to avoid known NRHP eligible cultural resources and to contribute to a mitigation fund in lieu of paying for additional archaeological inventory in this area that has received adequate previous survey. Funds received from the Permian Basin MOA will be utilized to conduct archaeological research and outreach in Southeastern New Mexico. Research will include archaeological excavation of significant sites, predictive modeling, targeted research activities, as well as professional and public presentations on the results of the investigations.

The proponent chose to participate in the Permian Basin MOA by planning to avoid all known NRHP eligible and potentially eligible cultural resources. The proponent has contributed funds commensurate to the undertaking into an account for offsite mitigation. Participation in the MOA serves as mitigation for the effects of this project on cultural resources. If any skeletal remains that might be human or funerary objects are discovered by any activities, the project proponent will cease activities in the area of discovery and notify the BLM within 24 hours as required by the Permian Basin MOA.

D. NEPA Adequacy Criteria

1. Is the new proposed action a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?

YES. The proposed action has similar impacts as the originally approved action that was analyzed in the existing NEPA document (Environmental Assessment) that considered the analysis area. Given that this proposal falls within the same area, and in adjacent areas with similar resource concerns, this action is essentially similar to what was analyzed in the original document.

2. Is the range of alternatives analyzed in the existing NEPA document(s) appropriate with respect to the current proposed action, given current environmental concerns, interests, resource values, and circumstances?

YES. The proposed action is consistent with the alternatives analyzed in the original Environmental Assessment. The current environmental concerns, interests, and resource values are still the same. There is nothing in the proposed action that would necessitate a change in the alternatives.

3. Is the existing analysis valid in light of any new information or circumstances (such as rangeland health standard assessment, recent endangered species listings, or updated lists of BLM-sensitive species)? Can you reasonably conclude that new information and new circumstances would not substantially change the analysis of the new proposed action?

YES. The existing analysis is still valid in light of any new information or circumstances, because the analysis is the same and no changes have been made to health standard assessments, the endangered species listings or sensitive species listed by the BLM. I can reasonably conclude that new information and new circumstances would not substantially change the analysis of the new proposed action at this time.

4. Are the direct, indirect, and cumulative effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing NEPA document?

YES. The direct, indirect and cumulative effects that would result from implementation of the new proposed action; both quantitatively and qualitatively to those analyzed in the existing NEPA documents would remain the same or would result in negligible change.

5. Are the public involvement and interagency review associated with existing NEPA document(s) adequate for the current proposed action?

YES. The public involvement and interagency review associated with the existing NEPA documents still remains adequate for the current proposed action.

E. Persons/Agencies/BLM Staff Consulted

Name	Title	Resource/Agency Represented
Stephanie Bergman	Archaeologist	BLM
Cassandra Brooks	Wildlife Biologist	BLM
Jana Onsurez	NRS-Range	BLM

Note: Refer to the EA/EIS for a complete list of the team members participating in the preparation of the original environmental analysis or planning documents.

CONCLUSION *(If you found that one or more of these criteria is not met, you will not be able to check this box.)*

Based on the review documented above, I conclude that this proposal conforms to the applicable land use plan and that the NEPA documentation fully covers the proposed action and constitutes BLM’s compliance with the requirements of the NEPA.

Colleen Cepero Rios	09/12/2017
Signature of Project Lead	Date
Signature of Responsible Official	Date

Note: The signed Conclusion on this Worksheet is part of an interim step in the BLM’s internal decision process and does not constitute an appealable decision. However, the lease, permit, or other authorization based on this DNA is subject to protest or appeal under 43 CFR Part 4 and the program-specific regulations.

BLM LEASE NUMBER: NMNM0245247

COMPANY NAME: McElvain Energy Inc.

ASSOCIATED WELL NAME: EK 29 BS2 Federal Com 4H

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken:

Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.