

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

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Form C-129
Revised August 1, 2011
Submit one copy to appropriate
District Office

HOBBS OGD
DEC 11 2017
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 17th St Ste 2500, Denver CO, 80265,
hereby requests an exception to Rule 19.15.18.12 for up to 30 days or until
FEB 1, Yr 2018, for the following described tank battery (or LACT):
Name of Lease EK 29 BS2 Federal Com 3H_ (42699) Name of Pool EK Bone Spring
Location of Battery: Unit Letter N Section 29 Township 18S Range 34E
Number of wells producing into battery 1
- B. Based upon oil production of 151 barrels per day, the estimated * volume
of gas to be flared is 780 MCF; Value \$250 per day.
- C. Name and location of nearest gas gathering facility:
Targa Versado
- D. Distance Meter onsite _____ Estimated cost of connection _____ already connected _____
- E. This exception is requested for the following reasons: This well has been charged with nitrogen to protect it from upcoming fracturing operations on nearby wells in the same zone. When the well is returned to production the gas will be non-marketable for a short period (est. 10 days) until the nitrogen cleans up and the gas stream returns to its normal composition.

30.025 42699

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 <u>Tony Cooper</u> Printed Name & Title <u>Tony Cooper Regulatory Mgr</u> E-mail Address <u>Tony@mcelvain.com</u> Date <u>12-6-17</u> Telephone No. <u>303 962 6489</u>	OIL CONSERVATION DIVISION Approved Until <u>2/1/2018</u> By <u>Marys Brown</u> Title <u>AO/II</u> Date <u>12/14/2017</u>
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* Gas-Oil ratio test may be required to verify estimated gas volume.