

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Carlsbad Field Office
OCD Hobbs

5. Lease Serial No.
NM116166
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 1 3 2018

7. If Unit or CA/Agreement, Name and/or No.
NMN137585

1. Type of Well
 Oil Well Gas Well Other

RECEIVED

8. Well Name and No.
EK 30 BS2 FEDERAL COM 1H

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

9. API Well No.
30-025-42701-00-S1

3a. Address
1050 17TH STREET SUITE 1800
DENVER, CO 80265-1801

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

10. Field and Pool or Exploratory Area
EK
UNKNOWN

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 30 T18S R34E SESE 175FSL 860FEL

11. County or Parish, State
LEA COUNTY, NM

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<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 recompleat 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 recompleat 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.

Enclosed VOC Combustor to be installed with new Production Facility

McElvain Energy Inc. requests permission to install a Cimarron CEI-48 inch Vapor Combustor Unit (VCU) at the EK 30 BS2 Fed Com 1H & 2H and EK 31 BS2 Fed Com 1H production facility. Although vapor recovery is being performed off the top of a VRT, the vapors associated with the working and breathing loss from the atmospheric crude oil storage tanks still need to be combusted. This request is due to the fact that the cost of installing and operating the size of vapor recovery system necessary to capture the working and breathing losses from the tanks exceeds the value of the gas over the life of the facility.

McElvain Energy Inc. understands that the following conditions may apply:

1. McElvain Energy Inc. may be required to provide economic justification and provide volume

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

**Electronic Submission #390089 verified by the BLM Well Information System
For MCELVAIN OIL & GAS PROP INC, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 10/30/2017 (18PP0141SE)**

Name (Printed/Typed) KELLOFF JOE

Title VP PRODUCTION

Signature (Electronic Submission)

Date 09/27/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

/s/ Jonathon Shepard

Approved By (BLM Approver Not Specified)

Title

Date 06/05/2018

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 Hobbs

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

*MJB/OCD
6/14/2018*

Revisions to Operator-Submitted EC Data for Sundry Notice #390089

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	FLARE NOI	FLARE NOI
Lease:	NMNM0245247	NMNM116166
Agreement:		NMNM137585 (NMNM137585)
Operator:	MCELVAIN ENERGY INC. 1050 17TH ST STE. 2500 DENVER, CO 80265 Ph: 303-893-0933	MCELVAIN OIL & GAS PROP INC 1050 17TH STREET SUITE 1800 DENVER, CO 80265-18Q1 Ph: 303.893.0933
Admin Contact:	TONY G COOPER SR EHS SPECIALIST E-Mail: tony.cooper@mcelvain.com Cell: 303-501-0004 Ph: 303-893-0933 Ext: 331	TONY G COOPER SR EHS SPECIALIST E-Mail: tony.cooper@mcelvain.com Cell: 303-501-0004 Ph: 303-893-0933 Ext: 331
Tech Contact:	KELLOFF JOE VP PRODUCTION E-Mail: joe.kelloff@gmail.com Cell: 303-808-2546 Ph: 303-893-0933	KELLOFF JOE VP PRODUCTION E-Mail: joe.kelloff@mcelvain.com Cell: 303-808-2546 Ph: 303-893-0933
Location:		
State:	NM	NM
County:	LEA COUNTY	LEA
Field/Pool:	EK BONE SPRING	EK UNKNOWN
Well/Facility:	EK 30 BS2 FEDERAL COM 1H Sec 30 T18S R34E Mer NMP SESE 175FSL 860FEL	EK 30 BS2 FEDERAL COM 1H Sec 30 T18S R34E SESE 175FSL 860FEL

BUREAU OF LAND MANAGEMENT -

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Condition of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission unless otherwise specified in Sundry Notice.
2. All flaring under this request is considered to be "avoidably lost":
Volumes flared beyond limits defined in 43 CFR 3179.7 are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with 43 CFR 3179. Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.103 - 3179.105.