Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Artesia

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Serial No. NMNM02862

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.				6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on reverse side.				7. If Unit or CA/Agreement, Name and/or No. 891000303X		
1. Type of Well Gas Well Other				8. Well Name and No. POKER LAKE UNIT 342H		
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com				9. API Well No. 30-015-38666-00-S1		
3a. Address P O BOX 2760 MIDLAND, TX 79702	Phone No. (include area code: 432-683-2277	2)	10. Field and Pool, or Exploratory POKER LAKE SW (DELAWARE)			
4. Location of Well (Footage, Sec., T			11. County or Parish, and State			
Sec 23 T24S R30E NWNW 1			EDDY COUNTY, NM			
12. CHECK APP	ROPRIATE BOX(ES) TO INI	DICATE NATURE OF	NOTICE, RE	PORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☐ Acidize	☐ Deepen	☐ Producti	on (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	☐ Fracture Treat	☐ Reclama	tion	■ Well Integrity	
☐ Subsequent Report	Casing Repair	■ New Construction	□ Recomp			
☐ Final Abandonment Notice	☐ Change Plans	. —			Venting and/or Flati	
'	Convert to Injection	Plug Back	☐ Water Disposal			
90-days, April - June 2016. Wells producing to this battery POKER LAKE UNIT 342H* / 3 POKER LAKE UNIT 340H / 3 POKER LAKE UNIT 340H / 3 POKER LAKE UNIT 324H / 3	y are as follows:	CO	E ATTA NDITIC	CHED-FOR NS OF APE	PROVAL	
POKER LAKE UNIT 432H / 3/ POKER LAKE UNIT 450Y / 3/ Estimated amount to flare is 2		MAOC	DABAYZO	(NIVI OIL COI ARTESTA APR I	NSERVATION DISTRICT 8 70.5	
14. I hereby certify that the foregoing is Con Name (Printed/Typed) TRACIE J	Electronic Submission #3331: For BOPC nmitted to AFMSS for processin	O LP, sent to the Carisba g by PRISCILLA PEREZ o	ad/	6PP0686SE)	IVED	
7,01012	·			ZVIINAC) // // // // // // // // // // // // //	
Signature (Electronic S		Date 03/08/2				
	THIS SPACE FOR F	EDERAL OR STATE	OFFICE US	FPR 8 2016	MIN /	
Approved By		Title .			INY MY	
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conduct the applicant the	arrant or	Pyliv C	AU OF LAND MANAGER	TICE /		
Fitle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a crime statements or representations as to any	for any person knowingly and matter within its jurisdiction	d willfully to mal	te to any department or	agency of the United	

Additional data for EC transaction #333138 that would not fit on the form

32. Additional remarks, continued

intermittent and is necessary due to restricted pipeline capacity.

Gas volumes will be metered prior to flaring, allocated back to each well and reported on monthly production reports

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
- 5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.