UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to reporter an establishment of proposals to drill or such brongsals.	5. Lease Serial No. NMNM02887A
SUNDRY NOTICES AND REPORTS ON WELL STATES OF THE DO NOT USE this form for proposals to drill or to recover at ESTATES OF THE DO NOT THE DOT OF	6. If Indian, Allottee or Tribe Name

SUBMIT IN TR	IPLICATE - Other instructi	ons on reverse side.	ECEIVED 7.	If Unit or CA/Agree 891000558D	ement, Name and/or No.	
Type of Well ☐ Gas Well ☐ Other Other			8.	8. Well Name and No. JAMES RANCH UNIT 7		
Name of Operator Contact: \TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com		. 9.	9. API Well No. 30-015-21247-00-S1			
		3b. Phone No. (include area code Ph: 432-683-2277) 10	10. Field and Pool, or Exploratory LOS MEDANOS		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11	11. County or Parish, and State		
Sec 6 T23S R31E SWNE 1980FNL 1980FEL			EDDY COU		', NM	
12. CHECK APP	ROPRIATE BOX(ES) TO	INDICATE NATURE OF	NOTICE, REPO	ORT, OR OTHE	R DATA	
TYPE OF SUBMISSION		TYPE O	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production	(Start/Resume)	☐ Water Shut-Off	
	☐ Alter Casing	☐ Fracture Treat	Reclamation	n	☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	■ New Construction	☐ Recomplete	:	Other Venting and/or Flari	
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	☐ Temporarily	y Abandon	ng	
	☐ Convert to Injection	Plug Back	■ Water Disp	osal		
If the proposal is to deepen direction Attach the Bond under which the we following completion of the involve testing has been completed. Final A determined that the site is ready for BOPCO, LP respectfully subr	ally or recomplete horizontally, gi ork will be performed or provide the d operations. If the operation resul- bandonment Notices shall be filed final inspection.) nits this sundry for Notice of	ve subsurface locations and meas e Bond No. on file with BLM/BL its in a multiple completion or rec only after all requirements, inclu-	A. Required subsequence ompletion in a new ding reclamation, ha	uent reports shall be interval, a Form 3160	filed within 30 days 0-4 shall be filed once	
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Additional data for EC transaction #341223 that would not fit on the form

32. Additional remarks, continued

JAMES RANCH UNIT 079D / 30-015-31056-00-C3 / JAMES RANCH UNIT 114H / 30-015-37925-00-S1 / JAMES RANCH UNIT 115H / 30-015-38118-00-S1 /

Estimated amount to flare is 200 MCFD, depending on pipeline conditions. Flaring will be intermittent and is necessary due to restricted pipeline capacity.

Gas is commingled at the flare to reduce the number flare stacks that would be needed for individual well locations.

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.