Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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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

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6	If Indian Allottee or Tribe Name

abandoned we	6. If Indian, Allottee o	r Tribe Name						
SUBMIT IN	7. If Unit or CA/Agreement, Name and/or No. 891000303X							
Type of Well	-	8. Well Name and No. POKER LAKE UN	IT 342H					
Name of Operator BOPCO LP	TRACIE J CHERRY asspet.com			9. API Well No. 30-015-38666-0	0-S1			
3a. Address P O BOX 2760 MIDLAND, TX 79702	3b. Phone No. (include Ph: 432-683-2277	area code)		10. Field and Pool or F POKER LAKE-D	xploratory Area DELAWARE, SW			
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description)			11. County or Parish,	State		
Sec 23 T24S R30E NWNW 1295FNL 115FWL					EDDY COUNTY, NM			
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA								
TYPE OF SUBMISSION	TYPE OF ACTION							
■ Notice of Intent	☐ Acidize	Deepen		Product	ion (Start/Resume)	☐ Water Shut-Off		
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fr		Reclama		☐ Well Integrity		
	Casing Repair	☐ New Constru		Recomp				
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Aba		•	arily Abandon	ng		
	Convert to Injection	☐ Plug Back		Water D	Pisposal			
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 recomplete 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. BOPCO, LP respectfully submits this sundry for Notice of Intent to intermittently flare for 90-days, April - June 2017. Wells associated at the PLU 342 battery are: POKER LAKE UNIT 342H* / 30-015-39486-00-S1 POKER LAKE UNIT 349H / 30-015-39486-00-S1 POKER LAKE UNIT 349H / 30-015-42688-00-S1 POKER LAKE UNIT 349H / 30-015-42681-00-S1 POKER LAKE UNIT 349H / 30-015-42681-00-S1 POKER LAKE UNIT 450Y / 30-015-42651-00-S1 POKER LAKE UNIT 450Y / 30-015-42681-00-S1 POKER LAKE UNIT 450Y / 30-0								
Electronic Submission #369653 verified by the BLM Well/Information System For BOPCO LP, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 03/14/2017 (1/7PP0474SE)								
Name (Printed/Typed) TRACIE J	UNEAK!	Title	REGULATO	200	TOPPONI	Xn + 1		
Signature (Electronic S		Date	03/13/2017	<i>f</i>	ALLIUK			
THIS SPACE FOR FEDERAL OR STATE OFFICE USE ALIG 7010								
Approved By Conditions of approval, if any, are attached. Approval of this notice does not warrant o certify that the applicant holds legal or equitable title to those rights in the subject lease				80	EAU OF LAND MAX			
which would entitle the applicant to condu		Office		<u>Ai</u>				
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any person know to any matter within its ju	vingly and will risdiction.	fully to ma	ke to any department or	agency of the United		
(Instructions on mass 2)			, ,			* <i>f</i>		

Additional data for EC transaction #369653 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

Pursuant to, 43 CFR 3179

Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

- A. 43 CFR 3179.105 Emergencies (a) An operator may flare or, if flaring is not feasible given the emergency, vent gas royalty-free under §3179.4 (a) (vi) of this subpart during an emergency. For purposes of this subpart, an "emergency" is a temporary, infrequent and unavoidable situation in which the loss of gas or oil is uncontrollable or necessary to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment. For purposes of royalty assessment, an "emergency" is limited to a short-term situation of 24 hours or less (unless the BLM agrees that the emergency conditions necessitating venting or flaring extend for a longer period) caused by an unanticipated event or failure that is out of the operator's control and was not due to operator negligence.
- B. 43 CFR 3179.4 Determining when the loss of oil or gas is avoidable or unavoidable.
 (2) Avoidably lost oil or gas means: Lost oil or gas that is not "unavoidably lost," as defined in paragraph (a) of this section; waste oil that became waste oil through operator negligence; and, any "excess flared gas," as defined in §3179.7.
- C. 43 CFR 3179.5 When lost production is subject to royalty.
 - (a) Royalty is due on all avoidably lost oil or gas.
 - (b) Royalty is not due on any unavoidably lost oil or gas.

Condition of Approval to Flare Gas

- 1. The first 24 hours of a <u>temporary emergency flare</u> 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".
- Flared volumes considered to be "avoidably lost":
 These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5).
 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".
 - If the operator believes that the flared volumes were "unavoidably lost" and the BLM determines them to be "avoidably lost", the operator can submit a more detailed request via Sundry Notice (Form 3160-5) for an exception in accordance with 43 CFR 3179.4, 3179.103 3179.105. As an alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.
- 3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.

- 4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). <u>Include method for volume determination and duration</u>. Report unavoidably lost (first 24 hrs. of unexpected event) and avoidably lost (exceeding the first 24 hrs. or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.
- 5. In determining the volumes of gas to be reported, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
- 6. The operator must estimate or measure all volumes of gas vented or flared gas by one of the following methods.
 - Measure the flare gas by a meter. The meter shall meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175 (due to volume of gas being flared).
 Include meter serial number on Sundry Notice (Form 3160-5).
 - ii. Calculate the volume of the flared gas based on the results of a regularly performed GOR test and measured values for the volumes of oil production and gas sales, so as to allow BLM to independently verify the volume, rate, and heating value of the gas flared.

Regulation Ref: Link to 43 CFR 3179 Waste Prevention and Resources Conservation; https://www.ecfr.gov/cgi-

bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true &n=sp43.2.3170.3179&r=SUBPART