Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Artesia

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

5. Lease Serial No. NMLC065914

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

abandoned well. Use form 3160-3 (APD) for such proposals.			6. If Indian, Allottee o	r Tribe Name		
SUBMIT IN 1	7. If Unit or CA/Agree 891000326X	7. If Unit or CA/Agreement, Name and/or No. 891000326X				
1. Type of Well	8. Well Name and No. BIG EDDY UNIT I	8. Well Name and No. BIG EDDY UNIT DI5 4H				
	9. API Well No.					
BOPCO ĹP		30-015-40397-00-S1				
3a. Address P O BOX 2760 MIDLAND, TX 79702	BOX 2760 Ph: 432-683-2277			10. Field and Pool or Exploratory Area PARALLEL UNKNOWN		
4. Location of Well (Footage, Sec., T.	11. County or Parish,	11. County or Parish, State				
Sec 27 T20S R31E SWNE 19	80FNL 1848FEL		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	☐ Production (Start/Resume)	■ Water Shut-Off		
_	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	■ Well Integrity		
☐ Subsequent Report	□ Casing Repair	■ New Construction	☐ Recomplete	Other		
☐ Final Abandonment Notice	Change Plans	□ Plug and Abandon	□ Temporarily Abandon	Venting and/or Flari		
	Convert to Injection	☐ Plug Back	☐ Water Disposal			
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 producing to this battery are as follows: BIG EDDY UNIT DI5 004H* / 30-015-40397-00-X1 J RODKE FEDERAL 001 / 30-015-05833-00-S1 Estimated amount to flare is 100 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 ONDITIONS OF APPLOVALL individual well locations.						
14. I hereby certify that the foregoing is	true and correct.			/\//-		
Electronic Submission #369667 verified by the BLM Well Information System For BOPCO LP, sent to the Carlsbad						
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/15/2017 (171/P0482SE) Name (Printed/Typed) TRACIE J CHERRY Title REGULATORY ANALY STODIO (181/1809)						
, rame(rame a)/pea/ 110 (OIE 0	OHERIT	The REGOL	HI APPROVE	$\mathbf{D} = \mathbf{A} \mathbf{B} \mathbf{B}$		
Signature (Electronic S		Date 03/13/20	1 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 - 4 -			
THIS SPACE FOR FEDERAL OR STATE OFFICE USEAUG 1 2017						
Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conductive the applicant to conductive the section 1001 and Title 43	uitable title to those rights in the subject operations thereon.	oct lease Office	CARLSBAD FRESS OFA			
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 **

Additional data for EC transaction #369667 that would not fit on the form

32. Additional remarks, continued

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 <u>without incurring a royalty</u> 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). Include method for volume determination and duration. 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