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.

SUNDRY NOTICES AND REPORTS ON WELLS

NMLC028731B

abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No. NMNM111789X	
1. Type of Well  ☑ Oil Well ☐ Gas Well ☐ Other					8. Well Name and No. DODD FEDERAL UNIT 563	
Name of Operator Contact: DANA KING COG OPERATING LLC E-Mail: dking@concho.com					9. API Well No. 30-015-39599	
3a. Address ONE CONCHO CENTER, 600 MIDLAND, TX 79701	(include area code) 8-2267		10. Field and Pool or Exploratory Area DODD-GLORIETA-UPPER YESO			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State	
Sec 11 T17S R29E Mer NMP 1780FSL 1755FWL					EDDY COUNTY, NM	
12. CHECK THE AF	PPROPRIATE BOX(ES)	) TO INDICA	TE NATURE OI	F NOTICE,	REPORT, OR OTH	IER DATA
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent     ■     Notice of Intent     Not	☐ Acidize	☐ Dee	pen	☐ Producti	on (Start/Resume)	■ Water Shut-Off
_	☐ Alter Casing	🗖 Нус	Iraulic Fracturing	☐ Reclama	ation	■ Well Integrity
☐ Subsequent Report	Casing Repair	□ Nev	■ New Construction		lete	Other
☐ Final Abandonment Notice	☐ Change Plans	Plug	g and Abandon	☐ Temporarily Abandon		Venting and/or Flari
	☐ Convert to Injection	Plug	□ Plug Back		risposal	
Attach the Bond under which the wor following completion of the involved testing has been completed. Final At determined that the site is ready for ficting the complete of th	operations. If the operation roandonment Notices must be final inspection.  PECTFULLY REQUEST:  ARE: (22)  H (FKA 11-4H) 30-015-4 H (FKA 10-2H) 30-015-4 30-015-39772-00-S01-1 30-015-34567-00-S1-1 30-015-34566-00-S1-1 30-015-36156-00-S1-1	esults in a multip iled only after all S TO FLARE	le completion or reco requirements, includi AT THE DODD F	mpletion in a ning reclamation  EDERAL 11	ew interval, a Form 316, have been completed a A BATTERY.  NM OIL  ART	CONSERVATION ESIA DISTRICT
For COG OPERATING L			d by the BLM Well Information System LC, sent to the Carlsbad DEBORAH MCKINNEY on 07/11/2017 () Title SUBMITTING CONTACT			
(FI			07/00/0		APPROVE	D ,
Signature (Electronic S	THIS SPACE F	OR FEDERA	Date 07/03/20		SE SE	<del></del>
	TINO OF AGE 1		T		10F = 1 0 50.	17 / / /
Approved By			Title			DAN
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	BUR	EAU OF LAND MANA CARLSBAD FIELD OF	AGE/
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent				willfully to ma	ke to any department or	agency of the United
(Instructions on page 2)  ** OPERA	FOR-SUBMITTED ** (	PERATOR-	SUBMITTED **	OPERAT	OR-SUBMITTED	**

#### Additional data for EC transaction #380525 that would not fit on the form

#### 32. Additional remarks, continued

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DODD FEDERAL UNIT #566 30-015-39695-00-
DODD FEDERAL UNIT #563 30-015-39599-00-S01/
DODD FEDERAL UNIT #18 30-015-25463-00-S1—DODD FEDERAL UNIT #586 30-015-40598-00-DODD FEDERAL UNIT #128 30-015-36157-00-S1—
DODD FEDERAL UNIT #126 30-015-36155-00-S1

DODD FEDERAL UNIT #10 30-015-20077-00-S1

DODD FEDERAL UNIT #913H 30-015-42722-00-

DODD FEDERAL UNIT #565 30-015-39600-00-
DODD FEDERAL UNIT #565 30-015-39600-00--
DODD FEDERAL UNIT #909H (FKA 11-2H) 30-015-40345-00-
DODD FEDERAL UNIT #4 30-015-25611-00-S1-
DODD FEDERAL UNIT #113 30-015-35247-00-S1-
DODD FEDERAL UNIT #108 30-015-34565-00-S1-
DODD FEDERAL UNIT #564 30-015-40603-00--
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FROM 7/03/2017 TO 10/01/2017 BBLS OIL/DAY: 200

MCF/DAY: 750 REASON: UNPLANNED MIDSTREAM CURTAILMENT

PLANT/COMPRESSOR PROBLEMS (HIGH LINE PRESSURE)

# 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".
- 2. 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**; <a href="https://www.ecfr.gov/cgi-">https://www.ecfr.gov/cgi-</a>

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