Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

Lease Serial No. NMNM12559

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SUNDRY NOTICES AND REPORTS ON WHAT SO THE PROPERTY OF THE PROP

d If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2 Well Name and No. Type of Well COTTONMOUTH 23 FEDERAL COM 1H Oil Well Gas Well Other 9. API Well No. Name of Operator
COG OPERATING LLC Contact: CATHY SEELY E-Mail: CSEELY@CONCHO.COM 3b. Phone No. (include area code) 10. Field and Pool or Exploratory Area 3a. Address 2208 W MAIN STREET Ph: 575-748-1549 HAY HOLLOW ARTESIA, NM 88210 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State Sec 23 T26S R28E NENW 35FNL 2310FWL EDDY COUNTY COUNTY, NM 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION □ Production (Start/Resume) ■ Water Shut-Off ☐ Acidize □ Deepen Notice of Intent ■ Well Integrity ☐ Hydraulic Fracturing ☐ Reclamation ☐ Alter Casing ☐ Subsequent Report Other Casing Repair ■ New Construction ☐ Recomplete Venting and/or Flari ☐ Temporarily Abandon □ Change Plans ☐ Plug and Abandon ☐ Final Abandonment Notice ■ Water Disposal □ Plug Back Convert to Injection 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. COG OPERATING LLC RESPECTFULLY REQUEST TO FLARE AT THE COTTONMOUTH 23 FEDERAL COM #1H. FROM 4/23/18 TO 7/22/18. RECEIVED # OF WELLS TO FLARE: 1 COTTONMOUTH 23 FEDERAL COM #1H: 30-015-39784 FOR RECORDS ON BBLS OIL/DAY: 50 MCF/DAY: 380 14. I hereby certify that the foregoing is true and correct. Electronic Submission #413279 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad C, sent to the Carlsbad DEBORAH MCKINNEY on 05/03/2018 () Committed to AFMSS for processing by **ENGINEERING TECH** Name (Printed/Typed) **CATHY SEELY** Date (Electronic Submission) 05/02/2018 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By ______/s/Jonathon Shepard

Title PETROLEN PROMITE

5/30/2018

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.

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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.

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Condition of Approval to Flare Gas

- 1. Approval not to exceed 180 days from date of submission unless otherwise specified in Sundry Notice.
- All flaring under this request is considered to be "avoidably lost":
 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".

Exceptions:

- a. 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".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.103 3179.105.