

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
HobbsFORM 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 abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

5. Lease Serial No.
NMNM16139
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
NMNM126130
8. Well Name and No.
JOLY 16 STATE COM 1H
9. API Well No.
30-025-39983-00-S1
10. Field and Pool or Exploratory Area
RED HILLS
11. County or Parish, State
LEA COUNTY, NM

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
EOG RESOURCES INCORPORATED
Contact: LORI J NUGENT
E-Mail: Lori_Nugent@eogresources.com

- 3a. Address
MIDLAND, TX 79702

- 3b. Phone No. (include area code)
Ph: 432-686-3670

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 16 T25S R34E SENW 2470FNL 2210FWL

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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.

EOG Resources, Inc. contacted Jennifer Sanchez with the BLM on 12/14/2016 regarding flare sundries that inadvertently had not been filed from 3/2013 - 6/2016. EOG Resources, Inc. reviewed files to determine flare volumes and reasons for flaring. Ms. Sanchez asked that EOG Resources, Inc. submit one sundry for each lease listing all volumes flared for the time period stated. EOG Resources, Inc. is reviewing other lease files and will submit other sundries as these reviews are complete.

EOG Resources, Inc. respectfully requests royalty free flare dispositions under NTL-4A.

See attached Exhibit A for detailed flare information

See attached Exhibit B for additional well/lease information

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #371706 verified by the BLM Well Information System
For EOG RESOURCES INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER SANCHEZ on 03/30/2017 (17JAS0219SE)**

Name (Printed/Typed) LORI J NUGENT Title PREPARER

Signature (Electronic Submission) Date 03/30/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____

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 _____

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 ** BLM REVISED ******Accepted for Record Only**

MJB/ocd 4/12/2017

ATTACHMENT - EXHIBIT A
AGREEMENT
LEASE

MULTIPLE - SEE ATTACHED EXHIBIT B
NMNM16139

EQUIPMENT NAME

JOLY 16 SC 1H FL 60387016

To the best of my knowledge, the Flare meter is located on lease and is the only flare meter on this lease.

WELLS		VOLUME		REASON	GAS SALES
JOLY 16 SC 1H	8/2013	428 Flare 5 days	33.6 hrs	Unavoidable Loss / SUG plant problems / separator problems	8,825
	9/2013	865 Flare 24 days	95.7 hrs	Unavoidable Loss / High Line Pressure	4,917
	10/2013	28 Flare 8 days	3.2 hrs	Unavoidable Loss / High Line Pressure	6,780
	1/2014	98 Flare 3 days	10 hrs	Unavoidable Loss / separator problems	1,947
	5/2014	8 Flare 3 days	.75 hrs	Unavoidable Loss	172
	6/2014	11 Flare 1 day	1.3 hrs	Unavoidable Loss	958
	8/2014	6 Flare 4 days	.75 hr	Unavoidable Loss / High Line Pressure / sales line leak	1,412
	11/2014	6 Flare 3 days	.5 hr	Unavoidable Loss	1,330
	1/2015	31 Flare 2 days	8 hrs	Unavoidable Loss / Regency shut in	1,841
	2/2015	9 Flare 2 days	1 hr	Unavoidable Loss / Regency compressor issues	2,388
	3/2015	82 Flare 20 days	11.7 hrs	Unavoidable Loss / Regency shut in	2,460
	4/2015	130 Flare 10 days	12 hrs	Unavoidable Loss / Regency shut in	401
	5/2015	859 Flare 14 days	96.8 hrs	Unavoidable Loss	1,052
	6/2015	1,435 Flare 7 days	72.5 hrs	Unavoidable Loss	2,611
	8/2015	3,036 Flare 21 days	397.6 hrs	Unavoidable Loss / High Line Pressure	3,794
	9/2015	1,629 Flare 10 days	206.2 hrs	Unavoidable Loss	4,931
	10/2015	54 Flare 4 days	5 hrs	Unavoidable Loss	4,922
	11/2015	13 Flare 2 days	2.5 hrs	Unavoidable Loss	4,543
	12/2015	569 Flare 7 days	102.3 hrs	Unavoidable Loss / High Line Pressure	4,832
	1/2016	412 Flare 6 days	76.3 hrs	Unavoidable Loss	4,747
	4/2016	76 Flare 2 days	12.9 hrs	Unavoidable Loss / High Line Pressure	3,443

ATTACHMENT - EXHIBIT B

5. Lease Serial No., continued

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location	Type	Field/Pool	County	State
NMNM126130	NMNM16139 ✓	JOLY 16 SC 1H ✓	30-025-39983-00-S1	SEC 16 T25S R34E SENW 2470 FNL 2210 FWL	OIL	RED HILLS	LEA	NM
	NMNM16139	MADERA 29 FED 1 ✓	30-025-27997-00-S1	SEC 29 T24S R34E NWSE 1980 FSL 1650 FEL	GAS	PITCHFORK RANCH	LEA	NM
	NMNM16139	PITCHFORK 4 FED 1 ✓	30-025-30086-00-S1	SEC 4 T25S R34E NESW 1980 FSL 1980 FWL	GAS	PITCHFORK RANCH	LEA	NM
	NMNM16139	PITCHFORK 4 FED 2 ✓	30-025-30331-01-C2	SEC 4 T25S R34E NESW 1830 FSL 1980 FWL	GAS	WILDCAT	LEA	NM
	NMNM16139	PITCHFORK 4 FED 2 ✓	30-025-30331-01-C3	SEC 4 T25S R34E NESW 1830 FSL 1980 FWL	GAS	WILDCAT	LEA	NM

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Pursuant to **NTL-4A III**, 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. Emergencies. During temporary emergency situations, such as compressor or other equipment failures, relief of abnormal system pressures, or other conditions which result in the unavoidable short-term venting or flaring of gas. However, this authorization to vent or flare gas in such circumstances without incurring a royalty obligation is limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month, except with the prior authorization, approval, ratification, or acceptance of the Supervisor.
- B. Well Purging and Evaluation Tests. During the unloading or cleaning up of a well during drillstem, producing, routine purging, or evaluation tests, not exceeding a period of 24 hours.
- C. Initial Production Tests. During initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first, unless a longer test period has been authorized by the appropriate State regulatory agency and ratified or accepted by the Supervisor.
- D. Routine or Special Well Tests. During routine or special well tests, other than those cited in NTL-4A III.B and C above, only after approval by the Supervisor.

If a flaring event conforms with the requirements listed above as per NTL-4A III., the flared volumes are not royalty bearing and the operator does not need to submit a Sundry Notice. Report flared volumes as unavoidably lost on OGOR B.

Condition of Approval to Flare Gas

1. The first 24 hours of a temporary emergency flare* 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). NTL-4A specifies no more than 24 hours per incident and no more 144 hours cumulative for the lease during any calendar month. 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":
 - Exceeding the first 24 hours for each temporary emergency flare event (144 hours cumulative for the lease per month), well purging and evaluation test.
 - During initial well evaluation tests, exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first
 - Scheduled flaring operations

These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in NTL-4A are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with NTL-4A.IV.B.. 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 NTL-4A.IV.B.. 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 in accordance with NTL-4A the BLM CFO requires 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 Notice (Form 3160-5).
 - If installation of an approved gas meter is not economically feasible for continued operations. Submit Notice of Intent - Sundry Notice (Form 3160-5) to request an alternate method of determining gas volumes with a valid justification. Alternate methods are listed in NTL-4A. The Authorized Officer may require the installation of additional measurement equipment whenever it is determined that the present methods are inadequate to meet the purposes of this Notice.
6. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
7. This approval does not authorize any additional surface disturbance.
8. Subject to like approval from NMOCD

Regulations and Definitions

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.

NTL-4A.IV.B. Oil Well Gas. Except as provided in II.C and III above, oil well gas may not be vented or flared unless approved in writing by the Supervisor. The Supervisor may approve an application for the venting or flaring of oil well gas if justified either by the submittal of **(1)** an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the Supervisor that the expenditures necessary to market or beneficially use such gas are not economically justified and that conservation of the gas, if required, would lead to the premature abandonment of recoverable oil reserves and ultimately to a greater loss of equivalent energy than would be recovered if the venting or flaring were permitted to continue or **(2)** an action plan that will eliminate venting or flaring of the gas within 1 year from the date of application.

*Temporary Emergency Flaring is defined as an unexpected situation requiring immediate action. A flaring event is considered an emergency if the occurrence is out of the operators control and the operator had less than 24 hrs notification of the event. Scheduled or routine flare events will not be considered an emergency.