Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

NMOCD Hobbs

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

5. Lease Serial No. NMNM073240

BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on page 240885 7. If Unit or CA/Agreement, Name and/or No. Well Name and No. 1. Type of Well GERONIMO FEDERAL COM 11H Oil Well Gas Well Other 9. API Well No. 2. Name of Operator Contact: **CATHY SEELY** RECEIV COG OPERATING LLC E-Mail: cseely@concho.com 30-025-43503 3b. Phone No. (include area code) 3a. Address 10. Field and Pool or Exploratory Area 2208 W MAIN STREET Ph: 575-748-1549 GEM BONE SPRING ARTESIA, NM 88210 11. County or Parish, State 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T19S R33E SWSW 636FSL 411FWL LEA COUNTY, NM 32.640163 N Lat, 103.709312 W Lon 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION ☐ Production (Start/Resume) ■ Water Shut-Off □ Acidize Deepen ■ Notice of Intent ■ Well Integrity ☐ Alter Casing ☐ Hydraulic Fracturing ☐ Reclamation ☐ Subsequent Report Other □ Casing Repair ■ New Construction □ Recomplete Venting and/or Flari ☐ Final Abandonment Notice Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon □ Convert to Injection ☐ Plug Back ■ 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 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 GERONIMO FED COM 11H. FROM 3/20/18 TO 6/18/18. # OF WELLS TO FLARE: 1 GERONIMO FED COM 11H: 30-025-43503 BBLS OIL/DAY: 1200 MCF/DAY: 1550 REASON: PLANNED MIDSTREAM CURTAILMENT 14. I hereby certify that the foregoing is true and correct Electronic Submission #406136 verified by the BLM Well Information System
For COG OPERATING L.C, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER SANCHEZ on 03/12/2018 () ENGINEERING TECH Name (Printed/Typed) **CATHY SEELY** (Electronic Submission) 02/28/2018 Signature

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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Office

Approved By 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.

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

(Instructions on page 2)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED/*

m&B/OCD /3/26/2018

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>. <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.</u>
- 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-

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