

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

Lease Serial No.
NMLC059152B

Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. CAPROCK MALJAMAR UNIT A 063
2. Name of Operator LINN OPERATING, LLC Contact: MINDY KOTESKY E-Mail: MKOTESKY@LINNENERGY.COM		9. API Well No. 30-025-00663
3a. Address 600 TRAVIS SUITE 1400 HOUSTON, TX 77002	3b. Phone No. (include area code) Ph: 281-840-4208 Fx: 832-426-5972	10. Field and Pool or Exploratory Area MALJAMAR; GRAYBURG-SAN AND
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T17S R32E Mer 6PM NESE 1980FSL 660FEL 32.818164 N Lat, 103.713470 W Lon		11. County or Parish, State LEA COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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.

LINN OPERATING, LLC RESPECTFULLY REQUESTS TO FLARE FROM 04/25/18 TO 7/24/18 AT 28 MCF/D FROM THE CAPROCK MALJAMAR UNIT A BATTERY DUE TO DCP REPAIRS AND MAINTENANCE. PLEASE SEE ATTACHED LIST FOR THE WELLS INCLUDED IN THIS BATTERY.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #412352 verified by the BLM Well Information System For LINN OPERATING, LLC, sent to the Hobbs Committed to AFMSS for processing by JENNIFER SANCHEZ on 04/25/2018 ()	
Name (Printed/Typed) MINDY KOTESKY	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 04/25/2018
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By _____	Title _____ Date APR 25 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.	Office BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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)

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

*MSS/ocd
5/8/2018*

CAPROCK MALJAMAR UNIT A

API	Well Name	Well Number	Type	Lease
30-025-00663	CAPROCK MALJAMAR UNIT	#063	Oil	Federal
30-025-01483	CAPROCK MALJAMAR UNIT	#065	Oil	State
30-025-00670	CAPROCK MALJAMAR UNIT	#073	Oil	Federal
30-025-01385	CAPROCK MALJAMAR UNIT	#103	Oil	Federal
30-025-32920	CAPROCK MALJAMAR UNIT	#129	Oil	State
30-025-32454	CAPROCK MALJAMAR UNIT	#130	Oil	State
30-025-32455	CAPROCK MALJAMAR UNIT	#131	Oil	State
30-025-32921	CAPROCK MALJAMAR UNIT	#132	Oil	State
30-025-32922	CAPROCK MALJAMAR UNIT	#139	Oil	State
30-025-32923	CAPROCK MALJAMAR UNIT	#140	Oil	State
30-025-32838	CAPROCK MALJAMAR UNIT	#141	Oil	State
30-025-32839	CAPROCK MALJAMAR UNIT	#142	Oil	State
30-025-33263	CAPROCK MALJAMAR UNIT	#146	Oil	State
30-025-33264	CAPROCK MALJAMAR UNIT	#147	Oil	State
30-025-24242	CAPROCK MALJAMAR UNIT	#148	Oil	State
30-025-32925	CAPROCK MALJAMAR UNIT	#149	Oil	State
30-025-24296	CAPROCK MALJAMAR UNIT	#150	Oil	State
30-025-32926	CAPROCK MALJAMAR UNIT	#151	Oil	State
30-025-32422	CAPROCK MALJAMAR UNIT	#153	Oil	State
30-025-33005	CAPROCK MALJAMAR UNIT	#159	Oil	State
30-025-32928	CAPROCK MALJAMAR UNIT	#161	Oil	State
30-025-32929	CAPROCK MALJAMAR UNIT	#162	Oil	State
30-025-32930	CAPROCK MALJAMAR UNIT	#163	Oil	State
30-025-32424	CAPROCK MALJAMAR UNIT	#167	Oil	State
30-025-33517	CAPROCK MALJAMAR UNIT	#171	Oil	Federal
30-025-33423	CAPROCK MALJAMAR UNIT	#172	Oil	Federal
30-025-32201	CAPROCK MALJAMAR UNIT	#173	Oil	Federal
30-025-32426	CAPROCK MALJAMAR UNIT	#176	Oil	State
30-025-31980	CAPROCK MALJAMAR UNIT	#177	Oil	State
30-025-24446	CAPROCK MALJAMAR UNIT	#179	Oil	State
30-025-32423	CAPROCK MALJAMAR UNIT	#180	Oil	State
30-025-32044	CAPROCK MALJAMAR UNIT	#181	Oil	State
30-025-33266	CAPROCK MALJAMAR UNIT	#182	Oil	State
30-025-33422	CAPROCK MALJAMAR UNIT	#186	Oil	Federal
30-025-33421	CAPROCK MALJAMAR UNIT	#187	Oil	Federal
30-025-32941	CAPROCK MALJAMAR UNIT	#196	Oil	State
30-025-24810	CAPROCK MALJAMAR UNIT	#201	Oil	Federal
30-025-26552	CAPROCK MALJAMAR UNIT	#202	Oil	Federal
30-025-33270	CAPROCK MALJAMAR UNIT	#207	Oil	State
30-025-33084	CAPROCK MALJAMAR UNIT	#208	Oil	State
30-025-33201	CAPROCK MALJAMAR UNIT	#209	Oil	State
30-025-33271	CAPROCK MALJAMAR UNIT	#211	Oil	State
30-025-33504	CAPROCK MALJAMAR UNIT	#236	Oil	State

CAPROCK MALJAMAR UNIT A

30-025-33242	CAPROCK MALJAMAR UNIT	#242 ✓	Oil	State
30-025-33243	CAPROCK MALJAMAR UNIT	#243 ✓	Oil	State
30-025-33244	CAPROCK MALJAMAR UNIT	#244 ✓	Oil	State
30-025-33245	CAPROCK MALJAMAR UNIT	#250 ✓	Oil	State
30-025-33841	CAPROCK MALJAMAR UNIT	#268 ✓	Oil	Federal
30-025-34110	CAPROCK MALJAMAR UNIT	#282 ✓	Oil	Private
30-025-34194	CAPROCK MALJAMAR UNIT	#284 ✓	Oil	State
30-025-34257	CAPROCK MALJAMAR UNIT	#285 ✓	Oil	Federal
30-025-34225	CAPROCK MALJAMAR UNIT	#401 ✓	Oil	State
30-025-39124	CAPROCK MALJAMAR UNIT	#500 ✓	Oil	State
30-025-39127	CAPROCK MALJAMAR UNIT	#506 ✓	Oil	State

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 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). 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.
 - i. 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>

If H₂S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements.