Form 3160-5 (June 2015) 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 woll. Use form 2160 2 (APD) for such proposals (Indian, Allottee or Tribe Name 6. If Indian, Allottee or Tribe Name									
SUNDRY	 Lease Serial No. NMNM122625 								
abandoned we	NOTICES AND REPO is form for proposals to II. Use form 3160-3 (API	D) for such p	roposals. AUG	1 1 2017	6. If Indian, Allottee of	r Tribe Name			
	TRIPLICATE - Other inst			EIVE	7. If Unit or CA/Agreement, Name and/or No. NMNM128654				
 Type of Well Oil Well Gas Well Ot 	her		n		8. Well Name and No.	9 FEDERAL COM 1H			
2. Name of Operator EOG RESOURCES INCORP	Contact: ORATEDE-Mail: Lori_Nuger	LORI J NUG nt@eogresourc	ENT es.com		9. API Well No. 30-025-40419-00-S1				
3a. Address	3a. Address 3b. Phone N Ph: 432-6			(include area code) 10. Field and Pool or Exploratory Area 6-3670 RED HILLS					
MIDLAND, TX 79702	R M or Survey Description)			11. County or Parish, State				
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T25S R34E SESE 330FSL 430FEL					LEA COUNTY, NM				
12. CHECK THE A	12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA								
TYPE OF SUBMISSION	TYPE OF SUBMISSION TYPE OF ACTION								
□ Notice of Intent	Acidize		Deepen		ion (Start/Resume)	□ Water Shut-Off			
Subsequent Report	Alter Casing		raulic Fracturing	Reclam		Well Integrity			
Final Abandonment Notice	Casing Repair	_	Construction and Abandon	Recomp	arily Abandon	Other Venting and/or Flari			
			Back	Water D		ng			
If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final A determined that the site is ready for the	rk will be performed or provide d operations. If the operation res- bandonment Notices must be file	the Bond No. or sults in a multipl	a file with BLM/BIA e completion or reco	. Required sul mpletion in a r	bsequent reports must be new interval, a Form 316	filed within 30 days 0-4 must be filed once			
EOG Resources, Inc. contact that inadvertently had not bee determine flare volumes and one sundry for each lease list Inc. is reviewing other lease f	n filed from 3/2013 - 6/20 reasons for flaring. Ms. Sa ing all volumes flared for t	16. EOG Re anchez asked he time perio	sources, Inc. revi	ewed files t	0 submit	ND .			
EOG Resources, Inc. respect	fully requests royalty free	flare disposit	ons under NTL-4	EF AT	TACHEDRO	PPROVAL			
See attached Exhibit A for de	ailed flare information			CONDI	TIONSOFT				
 See attached Exhibit B for additional well/lease information See attached Exhibit B for additional well/lease information 									
14 I hereby certify that the foregoing i	true and correct								
14. I hereby certify that the foregoing is true and correct. Electronic Submission #368748 verified by the BLM Well Information System For EOG RESOURCES INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 03/06/2017 (17PP0315SE)									
Name (Printed/Typed) LORI J N	UGENT		Title PR∉PA		FODECOP	D			
Signature (Electronic	Submission)		Date 03/03/2	FPTED	FORRECOR	Ч			
	THIS SPACE FO	OR FEDERA	L OR STATE	JUL	SE / 2017	1h			
Approved By			Title		ZIAN	Date			
Conditions of approval, if any, are attached certify that the applicant holds legal or eq which would entitle the applicant to cond	Office	BUREAU OF CARLSB	LAND MANAGEMENT AD FILL OFFICE						
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any pe to any matter w	rson knowingly and thin its jurisdiction.	willfully to ma	ake to any department or	agency of the United			
(Instructions on page 2) ** BLM REV	ISED ** BLM REVISED) ** BLM R	VISED ** BLM			P **			
Accepted for Record Only									
		VJB/00							
8/14/2017									

NMNM128654 NMNM122625

PITCHBLENDE 29 FC 1H 66887002

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

WELLS PITCHBLENDE 2

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8/2013670Flare 2 days38.5 hrsUnavoidable Loss / SUG shut in / generator issues8/9/201343Flare 2 days3 hrsUnavoidable Loss110/2013407Flare 10 days14.5 hrsUnavoidable Loss / compressor issues111/2013702Flare 12 days14.5 hrsUnavoidable Loss / compressor issues112/2013482Flare 9 days19.8 hrsUnavoidable Loss / compressor issues11/20146.24Flare 9 days39 hrsUnavoidable Loss / compressor issues12/20141.015Flare 8 days39 hrsUnavoidable Loss / compressor issues22/20142.306Flare 21 days217 hrsUnavoidable Loss / compressor issues2,26/20146.501Flare 25 days39 hrsUnavoidable Loss / compressor issues2,26/20146.501Flare 26 days36.5 hrsUnavoidable Loss / leak on gas line shut in gas sales1,29/20147.50Flare 21 days31.5 hrsUnavoidable Loss / leak on gas line shut in gas sales1,210/20142.905Flare 21 days30.7 hrsUnavoidable Loss / leak on gas line shut in gas sales1,211/20142.88Flare 20 days62.5 hrsUnavoidable Loss / leak on gas line shut in gas sales3,210/20142.905Flare 20 days62.5 hrsUnavoidable Loss / leak on gas line shut in gas sales3,211/20142.88Flare 20 days62.5 hrsUnavoidable Loss / compressor issues <td< th=""><th></th><th></th><th>VOLUME</th><th></th><th>REASON</th><th>GAS SALES</th><th></th></td<>			VOLUME		REASON	GAS SALES	
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3/20151,527 Flare 31 days90.7 hrsUnavoidable Loss / Regency shut in1,44/20151,379 Flare 26 days87 hrsUnavoidable Loss / Regency shut in1,45/2015212 Flare 22 days17 hrsUnavoidable Loss1,66/2015421 Flare 30 days31.5 hrsUnavoidable Loss1,67/2015191 Flare 3 days4.5 hrsUnavoidable Loss1,68/201525 Flare 1 day.5 hrsUnavoidable Loss1,611/201527 Flare 2 days1.5 hrsUnavoidable Loss2,712/2015105 Flare 4 days8 hrsUnavoidable Loss9,71/2016896 Flare 15 days42 hrsUnavoidable Loss2,22/2016557 Flare 16 days26 hrsUnavoidable Loss22,2		1/2015	843 Flare 20 days	62 hrs	Unavoidable Loss	3,855	
4/20151,379 Flare 26 days87 hrsUnavoidable Loss / Regency shut in5/2015212 Flare 22 days17 hrsUnavoidable Loss6/2015421 Flare 30 days31.5 hrsUnavoidable Loss7/2015191 Flare 3 days4.5 hrsUnavoidable Loss8/201525 Flare 1 day.5 hrsUnavoidable Loss11/201527 Flare 2 days1.5 hrsUnavoidable Loss11/201527 Flare 2 days1.5 hrsUnavoidable Loss12/2015105 Flare 4 days8 hrsUnavoidable Loss1/2016896 Flare 15 days42 hrsUnavoidable Loss2/2016557 Flare 16 days26 hrsUnavoidable Loss2/2016557 Flare 16 days26 hrsUnavoidable Loss		2/2015	640 Flare 14 days	68 hrs	Unavoidable Loss / Regency compressor issues	5,030	
5/2015212 Flare 22 days17 hrsUnavoidable Loss6/2015421 Flare 30 days31.5 hrsUnavoidable Loss1,47/2015191 Flare 3 days4.5 hrsUnavoidable Loss1,48/201525 Flare 1 day.5 hrsUnavoidable Loss1,411/201527 Flare 2 days1.5 hrsUnavoidable Loss2,712/2015105 Flare 4 days8 hrsUnavoidable Loss9,71/2016896 Flare 15 days42 hrsUnavoidable Loss / compressor issues16,62/2016557 Flare 16 days26 hrsUnavoidable Loss22,7		3/2015	1,527 Flare 31 days	90.7 hrs	Unavoidable Loss / Regency shut in	1,427	
6/2015421 Flare 30 days31.5 hrsUnavoidable Loss1,47/2015191 Flare 3 days4.5 hrsUnavoidable Loss1,48/201525 Flare 1 day.5 hrsUnavoidable Loss1,411/201527 Flare 2 days1.5 hrsUnavoidable Loss2,712/2015105 Flare 4 days8 hrsUnavoidable Loss9,71/2016896 Flare 15 days42 hrsUnavoidable Loss / compressor issues16,62/2016557 Flare 16 days26 hrsUnavoidable Loss22,7		4/2015	1,379 Flare 26 days	87 hrs		0	
7/2015191 Flare 3 days4.5 hrsUnavoidable Loss1,8/201525 Flare 1 day.5 hrsUnavoidable Loss2,11/201527 Flare 2 days1.5 hrsUnavoidable Loss / compressor issues2,12/2015105 Flare 4 days8 hrsUnavoidable Loss / compressor issues9,1/2016896 Flare 15 days42 hrsUnavoidable Loss / compressor issues16,2/2016557 Flare 16 days26 hrsUnavoidable Loss22,		5/2015	212 Flare 22 days	17 hrs	Unavoidable Loss	0	
8/201525 Flare 1 day.5 hrsUnavoidable Loss11/201527 Flare 2 days1.5 hrsUnavoidable Loss / compressor issues2,12/2015105 Flare 4 days8 hrsUnavoidable Loss9,1/2016896 Flare 15 days42 hrsUnavoidable Loss / compressor issues16,2/2016557 Flare 16 days26 hrsUnavoidable Loss22,		6/2015	421 Flare 30 days	31.5 hrs	Unavoidable Loss	1,419	
11/2015 27 Flare 2 days 1.5 hrs Unavoidable Loss / compressor issues 2, 12/2015 105 Flare 4 days 8 hrs Unavoidable Loss 9, 1/2016 896 Flare 15 days 42 hrs Unavoidable Loss / compressor issues 16, 2/2016 557 Flare 16 days 26 hrs Unavoidable Loss 22,		7/2015	191 Flare 3 days	4.5 hrs	Unavoidable Loss	1,891	
12/2015 105 Flare 4 days 8 hrs Unavoidable Loss 9, 1/2016 896 Flare 15 days 42 hrs Unavoidable Loss / compressor issues 16, 2/2016 557 Flare 16 days 26 hrs Unavoidable Loss 22,		8/2015	25 Flare 1 day	.5 hrs	Unavoidable Loss	48	×.
12/2015 105 Flare 4 days 8 hrs Unavoidable Loss 9, 1/2016 896 Flare 15 days 42 hrs Unavoidable Loss / compressor issues 16, 2/2016 557 Flare 16 days 26 hrs Unavoidable Loss 22,		11/2015	27 Flare 2 days	1.5 hrs	Unavoidable Loss / compressor issues	2,141	
2/2016 557 Flare 16 days 26 hrs Unavoidable Loss 22,		12/2015	105 Flare 4 days	8 hrs		9,260	
		1/2016	896 Flare 15 days	42 hrs	Unavoidable Loss / compressor issues	16,051	
		2/2016	557 Flare 16 days	26 hrs		22,406	
		3/2015	54 Flare Z days	2 hrs	Unavoidable Loss	24,935	
		5/2015	506 Flare 12 days	25 hrs	Unavoidable Loss	18,667	

ATTACHMENT - EXHIIT B 5. Lease Serial No., continued

Wells/Facilities, continued

Agreement	Lease	Weil/Fac Name, Number	API Number	Location	Туре	Field/Pool	County	State
NMNM128654	NMNM122625	PITCHBLENDE 29 FC 1H	30-025-40419-00-51	SEC 29 T25S R34E SESE 330 FSL 430 FEL	OIL	RED HILLS	LEA	NM

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 <u>without incurring a</u> 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

- 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). <u>Include method for volume determination and duration</u>. <u>Report</u> <u>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-

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