

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

NMOCD

Hobbs OGD

SUBMIT IN TRIPLICATE - Other instructions on page 2

AUG 11 2017

RECEIVED

5. Lease Serial No. NMNM14497
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. DIAMOND 8 FED 01
9. API Well No. 30-025-30632-00-S1
10. Field and Pool or Exploratory Area PITCHFORK RANCH RED HILLS
11. County or Parish, State LEA COUNTY, NM

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> 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 8 T25S R34E NWNE 660FNL 2310FEL	

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 Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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.

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 #368751 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 (17PP0318SE)	
Name (Printed/Typed) LORI J NUGENT	Title PREPARER
Signature (Electronic Submission)	Date 03/03/2017
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 _____

ACCEPTED FOR RECORD
JUL 21 2017
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)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Accepted for Record Only

MAB/OC 8/16/2017

ATTACHMENT - EXHIBIT A
AGREEMENT
LEASE

MULTIPLE - SEE ATTACHED EXHIBIT B
NMNM14497

EQUIPMENT NAME

DIAMOND 8 FED 1H FL 60187001

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
DIAMOND 8 FED 1H	3/2014	182 Flare 7 days	107.5 hrs	Unavoidable Loss	0
	4/2014	70 Flare 30 days	45.8 hrs	Unavoidable Loss	0
	5/2014	13 Flare 5 days	6 hrs	Unavoidable Loss	0
	7/2014	20 Flare 3 days	10.75 hrs	Unavoidable Loss / high line pressure	225
	8/2014	6 Flare 8 days	19.7 hrs	Unavoidable Loss / high line pressure	102
	1/2015	54 Flare 9 days	79 hrs	Unavoidable Loss / Regency shut in	218
	2/2015	112 Flare 9 days	52 hrs	Unavoidable Loss / high line pressure / Regency shut in	345
	3/2015	548 Flare 21 days	333.6 hrs	Unavoidable Loss / Regency shut in	0
	4/2015	560 Flare 29 days	375.6 hrs	Unavoidable Loss / Regency shut in	0
	5/2015	447 Flare 30 days	419 hrs	Unavoidable Loss / power failure	0
	6/2015	440 Flare 28 days	113.5 hrs	Unavoidable Loss	3,437
	8/2015	135 Flare 13 days	33 hrs	Unavoidable Loss	2,392
	9/2015	5 Flare 4 days	6.25 hrs	Unavoidable Loss / high line pressure	749
	10/2015	2 Flare 2 days	2.1 hrs	Unavoidable Loss	1,040
DIAMOND 8 FC 2H	3/2014	305 Flare 7 days	107.5 hrs	Unavoidable Loss	0
	4/2014	87 Flare 30 days	45.8 hrs	Unavoidable Loss	0
	5/2014	16 Flare 5 days	6 hrs	Unavoidable Loss	0
	7/2014	46 Flare 3 days	10.75 hrs	Unavoidable Loss / high line pressure	523
	8/2014	125 Flare 8 days	19.7 hrs	Unavoidable Loss / high line pressure	1965
	1/2015	284 Flare 9 days	79 hrs	Unavoidable Loss / Regency shut in	1136
	2/2015	151 Flare 9 days	52 hrs	Unavoidable Loss / high line pressure / Regency shut in	463
	3/2015	14 Flare 21 days	333.6 hrs	Unavoidable Loss / Regency shut in	0
	5/2015	178 Flare 30 days	419 hrs	Unavoidable Loss / power failure	0
	6/2015	144 Flare 28 days	113.5 hrs	Unavoidable Loss	1123
	8/2015	136 Flare 13 days	33 hrs	Unavoidable Loss	2404
	9/2015	32 Flare 4 days	6.25 hrs	Unavoidable Loss / high line pressure	5250
	10/2015	11 Flare 2 days	2.1 hrs	Unavoidable Loss	4463

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
NMNM124715	NMNM14497	DIAMOND 8 FED 1H	30-025-30632-00-S2	SEC 8 T25S R34E NWNE 600 FNL 2310 FEL	OIL	RED HILLS	LEA	NM
NMNM126699	NMNM14497	DIAMOND 8 FC 2H	30-025-39578-00-S1	SEC 8 T25S R34E SESE 330 FSL 430 FEL	OIL	RED HILLS	LEA	NM
	NMNM14497	DIAMOND 5 FED 1	30-025-28156-00-S1	SEC 5 T25S R34E NENW 660 FNL 1980 FWL	GAS	PITCHCFORK RANCH	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 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>