UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

5.	Lease Serial No.	
	NML C060329	

SUNDRY	NMLC060329							
Do not use thi abandoned wel	6. If Indian, Allottee or Tribe Name							
SUBMIT IN T	TRIPLICATE - Other inst	tructions on page 2	lebbs Oc	7. If Unit or CA/Agreen	ment, Name and/or No.			
Type of Well	ner: INJECTION	AUG 1 1 2017		Well Name and No. EMERALD FEDERAL 1				
Name of Operator CONOCOPHILLIPS COMPAN	Contact: Y E-Mail: rogerrs@c	RHONDA ROGERS conocophillips.com		9. API Well No. 30-025-40656				
3a. Address P. O. BOX 51810 MIDLAND, TX 79710		3b. Phone No. (include area code) Ph: 432-688-9174		10. Field and Pool or Exploratory Area MALJAMAR				
4. Location of Well (Footage, Sec., T.	-)		11. County or Parish, State				
Sec 17 T17S R35E Mer NMP	SESE 730FSL 140FEL			LEA COUNTY, NM				
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA								
TYPE OF SUBMISSION		ТҮРЕ С	TYPE OF ACTION.					
Notice of Intent ■	☐ Acidize	□ Deepen	☐ Product	ion (Start/Resume)	■ Water Shut-Off			
_	☐ Alter Casing	☐ Hydraulic Fracturing	Reclama	ation	■ Well Integrity			
☐ Subsequent Report	□ Casing Repair	■ New Construction	☐ Recomp	olete	Other			
☐ Final Abandonment Notice	☐ Change Plans	□ Plug and Abandon	☐ Tempor	arily Abandon	Venting and/or Flari			
	☐ Convert to Injection	☐ Plug Back	☐ Water D	Disposal				
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. ConocoPhillips Company request to flare between Monday April 24, 2017 and Friday April 28, 2017, because of AKA planned turnaround. Estimated flare 900 mcf/pd Attached is list of wells. SEE ATTACHED FOR CONDITIONS OF APPROVAL								
5 n bmit subsequents	For past 18	n're						
14. I hereby certify that the foregoing is true and correct. Electronic Submission #373577 verified by the BLM Well Information For CONOCOPHILLIPS COMPANY, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/24/2017 () Name (Printed/Typed) RHONDA ROGERS Title STAFF REGULATORY TECHNICIAN								
		D. 04/04/	2047	APPROVE	0 /			
Signature (Electronic S		Date 04/21/		7111191				
	THIS SPACE FO	OR FEDERAL OR STATE	OFFICE U					
Approved By		Title		JUL 40 20	Date Date			
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conduct the conductive transfer of the conductive tran	uitable title to those rights in the		BUF	CARLSBAD HELD OF	FICE			
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 **								

Emerald Battery				
Well#	API#			
Emerald Federal #1	30-025-40656			
Emerald Federal #2				
Emerald Federal #3 🗸	30-025-40221			
Emerald Federal #5 🗸	30-025-40525			
Emerald Federal #6 /				
Emerald Federal #7 🗸				
Emerald Federal #8 🗸	30-025-41654			
Emerald Federal #9 🗸				
Emerald Federal #10 7	30-025-40506			
Emerald Federal # 12 \	30-025-40358			
Total 10 wells				

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".
- 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 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.
 - 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-

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