Form 3160-5			e I		
(June 2015) DE	(June 2015) UNITED STATES NMOCD DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Hobbs			FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018	
				zial No. 2386A	
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				, Allottee or Tribe Name	
SUBMIT IN	TRIPLICATE - Other inst	tructions on page 2	SOCOIf Unit o	r CA/Agreement, Name and/or No. 6057X	
1. Type of Well		AUG 1	4 2017 8. Well Nar		
I Oil Well Gas Well Other				NSTOOL UNIT 4H	
2. Name of Operator COG OPERATING LLC	E-Mail: bmaiorino(BRIAN MAIORINO	IVED 9. API Web 30-025	-41803-00-S1	
3a. Address 3b. Phone No. (include area code) ONE CONCHO CENTER 600 W ILLINOIS AVENUE Ph: 432.221.0467 MIDLAND, TX 79701-4287 Ph: 432.221.0467				nd Pool or Exploratory Area	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11. County	or Parish, State	
Sec 20 T23S R33E SESE 330FSL 752FEL 32.283741 N Lat, 103.587757 W Lon			LEA C	LEA COUNTY, NM	
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICATE NATURE OF	NOTICE, REPORT,	OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
Notice of Intent	C Acidize	Deepen	Production (Start/Re		
Subsequent Report	 Alter Casing Casing Repair 	 Hydraulic Fracturing New Construction 	 Reclamation Recomplete 	Well Integrity Other	
☐ Final Abandonment Notice	Change Plans	Plug and Abandon	 Temporarily Aband 	on Venting and/or Flari	
	Convert to Injection		□ Water Disposal	ng	
Attach the Bond under which the wo	ally or recomplete horizontally, rk will be performed or provide d operations. If the operation re bandonment Notices must be fil	, give subsurface locations and measur e the Bond No. on file with BLM/BIA. soults in a multiple completion or recor- led only after all requirements, includi	ed and true vertical depths Required subsequent repo	of all pertinent markers and zones. rts must be filed within 30 days	
COG Operating respectfully re	equest to flare at the Brin	ninstool Unit 4H			
From 2/5/17 to 5/6/2017					
# of wells to flare: 2 Brinninstool Unit #4H - 30-02 Brinninstool Unit #3H - 30-02					
bbls oil/day: 340	SEE ATTACHED FOR				
mcf/day: 750	CONDITIONS OF APPROVAL				
Reason: high line pressure			, or ma	ILO ITA	
14. I hereby certify that the foregoing is	Electronic Submission #	365729 verified by the BLM Well	Information System		
Con	For COG	OPERATING LLC, sent to the H essing by PRISCILLA PEREZ on	obbs	SE)	
Name (Printed/Typed) BRIAN M	AIORINO	Title AUTHOR	RIZED REPRESENTA	TIVE	
Signature (Electronic	Submission)	Date 02/02/20	17		
	THIS SPACE FO	OR FEDERAL OR STATE (OFFICE USE		
Approved By	Title PETRO		Hile 2 8 2017		
Conditions of approval, if any, are attached certify that the applicant holds legal or equivich would entitle the applicant to condu-	uitable title to those rights in the	s not warrant or e subject lease 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 person knowingly and s to any matter within its jurisdiction.	willfully to make to any dep	partment or agency of the United	
Instructions on page 2)		D ** BLM REVISED ** BLM			
BLM REV	BLWI KEVISEI	D DLWIKEVISED "" BLM	KEVISED BLM I		

MSB/OCD 8/16/2017

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

- 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.

- 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>. 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.
 - 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