Førm 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

Expires: January
Lease Serial No.
NMNM10188

SUNDRY NOTICES AND REPORTS ON WELLSON SOL	
Do not use this form for proposals to drill or to re-enter an	B
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	is form for proposals to drill or	to re-enter an	S O					
abandoned we	is form for proposals to drill or II. Use form 3160-3 (APD) for s	uch proposals.	OCD If Indian, Allottee	or Tribe Name				
SUBMIT IN	II. Use form 3160-3 (APD) for some	s on page	7. If Unit or CA/Agre	eement, Name and/or No.				
Type of Well	8. Well Name and No W A RAMSAY F							
Name of Operator OXY USA INC	Contact: THALIA E-Mail: Thalia_Himes@oxy	A HIMES v.com	9. API Well No. 30-025-36513					
3a. Address 5 GREENWAY PLAZA SUIT HOUSTON, TX 77046		one No. (include area code) 13-215-7912	10. Field and Pool or DOLLARHIDE/					
4. Location of Well (Footage, Sec., 7	C., R., M., or Survey Description)		11. County or Parish,	State				
Sec 28 T24S R38E SESW 48	LEA COUNTY,	LEA COUNTY, NM						
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA								
TYPE OF SUBMISSION TYPE OF ACTION								
Notice of Intent	☐ Acidize ☐	Deepen	☐ Production (Start/Resume)	■ Water Shut-Off				
	☐ Alter Casing	Hydraulic Fracturing	☐ Reclamation	■ Well Integrity				
☐ Subsequent Report	☐ Casing Repair	New Construction	☐ Recomplete	Other				
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	□ Temporarily Abandon	Venting and/or Flari				
	☐ Convert to Injection ☐	Plug Back	☐ Water Disposal					
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. OXY USA INC respectfully reports that the above location began to flare on June 10, 2017due to Enterprise having high line pressure and we request permission to flare for 90 days ending on September 8, 2017. SEE ATTACHED FOR CONDITIONS OF APPROVALACE CONDI								
14. I hereby certify that the foregoing is true and correct. Electronic Submission #378819 verified by the BLM Well Information System For OXY USA INC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 06/14/2017 ()								
Name (Printed/Typed) THALIA F	HIMES	Title HES TE	CH					
Signature (Electronic	Submission)	Date 06/13/20	DIT AFFRU	NED.				
THIS SPACE FOR FEDERAL OR STATE OFFICE USE AUG 1 2017								
Approved By Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condition to condition to condition to the second to the	uitable title to those rights in the subject l uct operations thereon.	Office	BUREAN OF LAND IN CARLSBAD FIEL					
States any false, fictitious or fraudulent	statements or representations as to any m	atter within its jurisdiction.						

(Instructions on page 2)

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

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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".
- 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.
 - 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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