Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

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

	UREAU OF LAND MANA				5. Lease Serial No.			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an MOCD abandoned well. Use form 3160-3 (APD) for such proposals. Hobbs					NMNM112279 6. If Indian, Allottee or Tribe Name			
					CD			
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agree	ment, Name	and/or No.	
1. Type of Well ☐ Gas Well ☐ Other				X 0850	Well Name and No. HOUND 30 FED 7	'01H		
Name of Operator EOG RESOURCES INC	Contact: E-Mail: kristina_str	KRISTINA ST. Roomain@eogresourd	OMAIN es.com	ECEIV	API Well No. 30-025-43574		1	
3a. Address 5509 CHAMPIONS DRIVE MIDLAND, TX 79703		3b. Phone No. (inc.) Ph: 432-686-36	ne No. (include area code)		10. Field and Pool or Exploratory Area WC025G09S253336D;UPWC			
4. Location of Well (Footage, Sec., T.)			11. County or Parish,	State			
Sec 30 T25S R34E 2191FSL		LEA COUNTY, NM						
12. CHECK THE AP	PROPRIATE BOX(ES)	TO INDICATE N	NATURE OF	F NOTICE,	REPORT, OR OTH	IER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION							
Notice of Intent	☐ Acidize			Production (Start/Resume)		☐ Water Shut-Off		
☐ Subsequent Report	☐ Alter Casing	☐ Hydrauli ☐ New Cor	_	☐ Reclamation ☐ Recomplete		☐ Well Ir	itegrity	
☐ Final Abandonment Notice	☐ Casing Repair☐ Change Plans	☐ Plug and				Other Venting a	nd/or Flari	
I mai Abandonnient Notice	Convert to Injection	_	☐ Plug Back		☐ Temporarily Abandon ☐ Water Disposal		ng	
EOG is requesting permission to temporarily flare for 6 days from 4/13/2018 ? 4/18/2018 on the wells listed below due to Enterprise maintenance. Gas will be measured prior to flaring. Hound 30 Fed #701H 30-025-43574 Hound 30 Fed #702H 30-025-43575 Hound 30 Fed #703H 30-025-43576 SEE ATTACHED FOR CONDITIONS OF APPROVAL								
44 X1 1 25 4 44 5 1 1	1				1	/ .		
14. I hereby certify that the foregoing is true and correct. Electronic Submission #411595 verified by the BLM Well Information System For EOG RESOURCES INC, sent to the Hobbs Committed to AFMSS for processing by JENNIFER SANCHEZ on 04/16/2018 ()								
Name (Printed/Typed) KRISTINA	ST. ROMAIN	Title	/		MINISTRATOR - MI	D /		
Signature (Electronic Submission) Date 04/13/20)18 A	PPROXED	\times /	7	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE								
Approved By		Tit	le		APH 0 2010) Date		
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu	itable title to those rights in the	not warrant or subject lease	fice	BUREAL CAR	I OXLAND MANAGE RLSBAC FIELD OFFIC			
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 **								
MUS/OCD 5/8/2018								

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-

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

If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements.