Form 3160-5 (June 2015) DE	UNITED STATES EPARTMENT OF THE INTERIOR NMOCD			FORM APPROVED OMB NO. 1004-0137		
BUREAU OF LAND MANAGEMENT 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.					Expires: January 31, 2018 5. Lease Serial No. NMNM02965A 6. If Indian, Allottee or Tribe Name	
1. Type of Well					8. Well Name and No.	
🛛 Oil Well 🔲 Gas Well 🗋 Other					BARLOW 34 FED COM 701H 9. API Well No.	
2. Name of Operator EOG RESOURCES INC Contact: KRISTINA ST. ROMAIN E-Mail: kristina_stromain@eogresources.com					30-025-44154	
3a. Address 3b. Phone No. (include area code) 5509 CHAMPIONS DRIVE Ph: 432-686-3671 MIDLAND, TX 79706 Ph: 432-686-3671					10. Field and Pool or Exploratory Area RED HILLS-WOLFCAMP, WEST	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State	
Sec 34 T26S R33E 300FSL 625FWL					LEA COUNTY, NM	
12. CHECK THE AF	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	IER DATA
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	C Acidize	Dee	Deepen		ion (Start/Resume)	UWater Shut-Off
□ Subsequent Report	□ Alter Casing		Iraulic Fracturing	Reclamation		U Well Integrity
	Casing Repair	_	v Construction	□ Recomplete		Other Venting and/or Flari
☐ Final Abandonment Notice	 Change Plans Convert to Injection 			□ Tempor	any Abandon ng	
determined that the site is ready for fi EOG is requesting permission wells listed below due to Enter Barlow 34 Fed Com #701H 3 Barlow 34 Fed Com #702H 3 Barlow 34 Fed Com #704Y 30 Barlow 34 Fed Com #706H 30	to temporarily flare for 6 prise maintenance. Gas	will be meas	ured prior to flari	ng.	ED FOR	
14. I hereby certify that the foregoing is true and correct. Electronic Submission #411623 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						
Signature (Electronic Submission)			Date 04/13/2	018		
	THIS SPACE FO	R FEDER	L OR STATE	OFFICE	SE [@ 2018	\sim
Approved By Conditions of approval, if any, are attached certify that the applicant holds legal or equivier would entitle the applicant to condu	Title	BUREAL	F LAND MANAGEME BAD FIELD DIFICE	NT Date		
Fitle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a statements or representations as	crime for any poto to any matter w	erson knowingly and ithin its jurisdiction.	willfully to ma	ke to any department or a	agency of the United
Instructions on page 2) ** OPERAT	OR-SUBMITTED ** O	PERATOR	SUBMITTED *	* OPERAT	OR-SUBMITTED	** 4.26

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 <u>without incurring a</u> <u>royalty</u> 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. Report</u> <u>unavoidably lost (first 24 hrs. of unexpected event) and avoidably lost (exceeding the first 24</u> <u>hrs. or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes</u> <u>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-

<u>bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true</u> <u>&n=sp43.2.3170.3179&r=SUBPART</u>

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