Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Hobbs

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

5. Lease Serial No. NMNM19858

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.

6. If Indian, Allottee or Tribe Name

abandoned wen. Ose form 5100-5 (APD) for such proposals.					,		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agree	ment, Name and/or	No.
Type of Well					8. Well Name and No. HAWK 26 FEDERAL 701H		
Name of Operator Contact: KRISTINA ST. ROMAIN EOG RESOURCES INC E-Mail: kristina_stromain@eogresources.com					9. API Well No. 30-025-42394		
3a. Address 5509 CHAMPIONS DRIVE MIDLAND, TX 79703	o. (include and Pool or Exploratory Area WC025G09S24336I; UP WC						
4. Location of Well (Footage, Sec., T.	11. County or Parish, S	tate					
Sec 26 T24S R33E 500FSL 685FWL LEA						M	
RECEIVED							
12. CHECK THE AP	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	ER DATA	
TYPE OF SUBMISSION TYPE OF ACTION							
Notice of Intent	☐ Acidize	☐ Dee	□ Deepen		☐ Production (Start/Resume)		Off
	☐ Alter Casing	□ Нус	☐ Hydraulic Fracturing		☐ Reclamation		у
☐ Subsequent Report	☐ Casing Repair		v Construction	☐ Recomp	olete	⊘ Other	DI.
☐ Final Abandonment Notice	☐ Change Plans	Plug	g and Abandon Ten		orarily Abandon Venting and/or Flari		Flari
	☐ Convert to Injection	Plug	g Back	☐ Water I	■ Water Disposal		
testing has been completed. Final Ab determined that the site is ready for fi EOG is requesting permission wells listed below due to Enter Hawk 26 Fed #701H 30-025-4 Hawk 26 Fed #702H 30-025-4	nal inspection. to temporarily flare for 6 reprise maintenance. Gas 42394	days from 4/ will be meas		018 on the ng.	FOR	no une operator nas	
14. I hereby certify that the foregoing is	true and correct		-			/-//	
14. I hereby certify that the foregoing is true and correct. Electronic Submission #411579 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 REGULATORY ADMINISTRATOR MID							
Name (Printed/Typed) KRISTINA	ST. ROMAIN	•	Title REGUL	ATORY ADI	MINISTRATOR MIL)	
Signature (Electronic S	ubmission)		Date 04/13/20	018	APPROVED		
	THIS SPACE FO	R FEDERA	L OR STATE	FFICE U	SE /	A. I	
A.'			Tid		AP# 3018	Date	/
Approved By	Title	A		Date			
certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office Offic							
Title 18 U.S.C. Section 1001 and Title 43 U States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a tatements or representations as	to any matter w	rson knowingly and ithin its jurisdiction.	willfully to ma	ke to any department or a	gency/of the United	
(Instructions on page 2) ** OPERAT	OR-SUBMITTED ** O	PERATOR-	SUBMITTED **	OPERAT	OR-SUBMITTED *	1/1/20	

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-

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