• Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

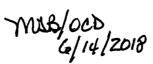
FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill be to be to be abandoned well. Use form 3160-3 (APD) for such proposals. | | | | | 5. Lease Serial No. NMNM116047 | Tribe Name |
|--|-------------------------|--|-------------------|---|--|-----------------------|
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | | | 7. If Unit or CA/Agreen | ment, Name and/or No. |
| 1. Type of Well Oil Well Gas Well Oth | JUN I 3 2018 | | | 8. Well Name and No. SMALLS FEDERAL 2H | | |
| 2. Name of Operator COG PRODUCTION LLC | CATHY SEEL RECEIVED | | | 9. API Well No. 30-025-43064-00-X1 | | |
| 3a. Address 2208 W MAIN STREET ARTESIA, NM 88210 | | 3b. Phone No. (include area code) Ph: 575-748-1549 | | | 10. Field and Pool or Exploratory Area WC025G06S223421L-BONE SPRING | |
| 4. Location of Well (Footage, Sec., T. |) | | | 11. County or Parish, State | | |
| Sec 28 T22S R34E SWSE 19 | | | | LEA COUNTY, NM | | |
| 12. CHECK THE AF | PROPRIATE BOX(ES) | TO INDICA | TE NATURE O | F NOTICE, | REPORT, OR OTH | ER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | | |
| Notice of Intent | ☐ Acidize | ☐ Deepen | | ☐ Production (Start/Resume) | | ☐ Water Shut-Off |
| _ | □ Alter Casing | ☐ Hyd | raulic Fracturing | □ Reclam | ation | ■ Well Integrity |
| ☐ Subsequent Report | □ Casing Repair | □ New | Construction | □ Recomp | plete | Other |
| ☐ Final Abandonment Notice | □ Change Plans | Plug | and Abandon | □ Tempor | rarily Abandon | Venting and/or Flari |
| · | ☐ Convert to Injection | Plug | Back | □ Water I | Disposal | 0 |
| 13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days 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. COG OPERATING LLC RESPECTFULLY REQUEST TO FLARE AT THE SMALLS FEDERAL #2H. FROM 6/2/18 TO 8/31/18. # OF WELLS TO FLARE: 1 SMALLS FEDERAL #2H: 30-025-43064 BBLS OIL/DAY: 1,500 MCF/DAY: 2,000 | | | | | | |
| 14. I hereby certify that the foregoing is | Electronic Submission # | RODUCTION | LLČ, sent to the | Hobbs | • | |
| Name (Printed/Typed) CATHY S | | Title ENGINEERING TECH | | | | |
| Signature (Electronic S | Submission) | | Date 06/06/2018 | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | |
| _Approved By | epard | The Petroleum EnginedUN 114 2018 | | | | |
| Conditions of approval, if any, are attached. Approval of this notice does not was certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon. | | | Car Office | Isbad | Field Offic | e |

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)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **



Additional data for EC transaction #422815 that would not fit on the form

32. Additional remarks, continued

REASON: UNPLANNED MIDSTREAM CURTAILMENT

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Condition of Approval to Flare Gas

- 1. Approval not to exceed 180 days from date of submission unless otherwise specified in Sundry Notice.
- 2. All flaring under this request is considered to be "avoidably lost":

 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".

Exceptions:

- a. 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".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.103 3179.105.