Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR

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

BUREAU OF LAND MANAGEMENT arisbad Field Office 432 SUBMIT IN TRIPLICATE - Other instructions on page 385

To be as Well Other Do not use this form for proposals to drill or to re-enter abandoned well. Use form 3160-3 (APD) for such proposals 7. If Unit or CA/Agreement, Name and/or No. AUG 21 2019 1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other 3b. Phone No. (include red code)
Ph: 575-624-3760
Ex: 575-624-3760 Name of Operator **KELLY BARAJAS** 9. API Well No. Contact: READ & STEVENS INCORPORATEDE-Mail: kbarajas@read-stevens.com 30-025-42080-00-S1 3a. Address 10. Field and Pool or Exploratory Area **QUAIL RIDGE** ROSWELL, NM 88202 Fx: 575-622-8643 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State Sec 3 T20S R34E Lot 1 0200FNL 0350FEL LEA COUNTY, NM 32.363221 N Lat, 103.322613 W Lon 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION ☐ Production (Start/Resume) ■ Water Shut-Off ☐ Acidize □ Deepen Notice of Intent □ Alter Casing ☐ Hydraulic Fracturing □ Reclamation ■ Well Integrity ☐ Subsequent Report Casing Repair ■ New Construction ☐ Recomplete Venting and/or Flari ☐ Final Abandonment Notice Change Plans □ Plug and Abandon ☐ Temporarily Abandon □ Convert to Injection ☐ Plug Back ☐ Water Disposal 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. Read & Stevens, Inc. is requesting to flare gas on the North Lea 3 Federal Com #1H Battery. There are 4 wells producing into this battery. They are: 1. North Lea 3 Federal Com #1H - 30-025-42080: North Lea 3 Federal Com #2H - 30-025-42227; North Lea 3 Federal Com #3H - 30-025-42228; North Lea 3 Federal Com #4H - 30-025-42684. The sales line is at 30#. When all 4 wells are flowing gas the NL3F Com #1H and the NL3F Com #3H the gas cannot get in the line. The gas to be flared is approximately 150 MCF per day from the #1H and #3H. If the 2H or the 4H are down, then the gas from the 1H and the 3H will be able to go into the sales line. A Total Flow meter has been installed per BLM regulations. 14. I hereby certify that the foregoing is true and correct. Electronic Submission #470705 verified by the BLM Well Information System For READ & STEVENS INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 06/26/2019 (19PP2313SE) Name (Printed/Typed) MATTHEW B MURPHY Title **OPERATIONS MANAGER** (Electronic Submission) Signature 06/26/2019 THIS SPACE FOR FEDERAL OR STATE OFFICE USE /s/ Jonathon Shepard JUL_{Date} 8 2019

Approved By

Ratroleum Fngineer

Conditions of approval, if any, are attached. Approval of this notice does not warrant or Carlsbad Field Office 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.

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 ** BLM REVISED



Additional data for EC transaction #470705 that would not fit on the form

32. Additional remarks, continued

Also, if DCP, Midstream has their sales line shut-in we would be flaring all of the gas.

BUREAU OF LAND MANAGEMENT

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

Conditions of Approval to Flare Gas

- 1. Approval not to exceed 180 days from date of submission.
- 2. All flaring under this request is considered to be "avoidably lost" per 43 CFR 3179.4(a)(2)(i iii). Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free (43 CFR 3179.103(a)). 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, 3179.101 3179.104.