Form 3160-5 (June 2015) DE B <sup>1</sup> SUNDRY Do not use the abandoned we	enter an		FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMLC068905 6. If Indian, Allottee or Tribe Name				
SUBMIT IN TRIPLICATE - Other instructions on page 2					<ol> <li>If Unit or CA/Agreement, Name and/or No. 891000303X</li> </ol>		
1. Type of Well	······	8. Well Name and No. POKER LAKE UNIT 320H					
Contact: TRACIE J CHERRY     BOPCO LP     E-Mail: ticherry@basspet.com					9. API Well No. 30-015-39810-00-S1		
3a. Address     3b. Phone No. (include area code)					10. Field and Pool or Exploratory Area		
P O BOX 2760 MIDLAND, TX 79702	Ph: 432-68	3-2277		NASH DRAW-DELAWARE/BS (AVALO			
4. Location of Well (Footage, Sec., 7			11. County or Parish,	11. County or Parish, State			
Sec 4 T24S R30E NESW 259	EDDY COUNTY			Y, NM			
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTI	HER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	🗖 Acidize	🗖 Dee	Deepen		tion (Start/Resume)	UWater Shut-Off	
Subsequent Report	☐ Alter Casing		Iraulic Fracturing	□ Reclam		U Well Integrity	
☐ Final Abandonment Notice	Casing Repair Change Plans	_	v Construction g and Abandon	Recomp	arily Abandon	☑ Other Venting and/or Flari	
	Convert to Injection		-	□ Water Disposal		ng	
If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f BOPCO, LP respectfully subn 90-days, April - June 2017.	rk will be performed or provide l operations. If the operation re oandonment Notices must be fil inal inspection.	the Bond No. o sults in a multip led only after all	n file with BLM/BIA le completion or reco requirements, includ	. Required su ompletion in a ing reclamatio	bsequent reports must be new interval, a Form 316	e filed within 30 days 50-4 must be filed once	
Wells associated at the PLU 3 Poker Lake Unit 318H / 30-01 Poker Lake Unit 319H / 30-01 Poker Lake Unit 320H* / 30-0 Poker Lake Unit 321H / 30-01 Poker Lake Unit 323H / 30-01 Poker Lake Unit 331H / 30-01 Poker Lake Unit 332H / 30-01	5-39731 5-39834 15-39810 5-40771 5-40791 5-42009 5-42009 5-41039		Cti Colori		AF	CONSERVATION RTESIA DISTRICT AUG 09 2017	
14. I hereby certify that the foregoing is	Electronic Submission #	30PCO LP,si	Int to the Carlsba	d		RECEIVED	
Name (Printed/Typed) TRACIE J CHERRY			Title REGULATORY ANALYST				
Signature (Electronic Submission)			Date 03/13/2017				
	THIS SPACE FO	DR FEDERA		OFFICE U	SE		
Approved By		Title PETR	oleum ei	VGINEER	JUL 2 8 2017 Date		
Conditions of approval, if any, are attached. Approval of this notice does not warra certify that the applicant holds legal or equitable title to those rights in the subject lewhich would entitle the applicant to conduct operations thereon.			Office				
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any pe to any matter w	erson knowingly and ithin its jurisdiction.	willfully to m	ake to any department or	agency of the United	
(Instructions on page 2) ** BLM REV	ISED ** BLM REVISEI	D ** BLM RI	EVISED ** BL N		) ** BLM REVISE	D **	

# Additional data for EC transaction #369638 that would not fit on the form

### 32. Additional remarks, continued

r

Estimated amount to flare is 100 MCFD, depending on pipeline conditions. Flaring will be intermittent and is necessary due to restricted pipeline capacity.

Gas volumes will be metered prior to flaring, allocated back to each well and reported on monthly production reports.

# 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**

- 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; <u>https://www.ecfr.gov/cgi-</u>

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