Form 3160-5 (June 2015) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter the CD abandoned well. Use form 3160-3 (APD) for such proposals.					FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMNM109748 6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well Gas Well Other					8. Well Name and No. ROADRUNNER FEDERAL COM 1H		
2. Name of Operator Contact: CATHY SEELY COG OPERATING LLC E-Mail: cseely@concho.com					9. API Well No. 30-015-43133		
3a. Address 2208 W MAIN STREET ARTESIA, NM 88210	208 W MAIN STREET Ph: 575-748-1549				10. Field and Pool or Exploratory Area WILDCAT		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T25S R26E SESE 190FSL 380FEL					11. County or Parish, State EDDY COUNTY, NM		
12. CHECK THE AF	PPROPRIATE BOX(ES) 1	TO INDICAT	E NATURE O	F NOTICE,	REPORT, OR OTH	IER DATA	
TYPE OF SUBMISSION TYPE OF ACTION							
🛛 Notice of Intent	C Acidize		Deepen		ion (Start/Resume)	Water Shut-Off	
Subsequent Report	Alter Casing		 Hydraulic Fracturing New Construction 		ation	☐ Well Integrity Other	
Final Abandonment Notice					lete arily Abandon	Venting and/or Flari	
	Convert to Injection	D Plug		U Water D	-	ng	
COG OPERATING LLC RESP FROM 3/26/18 TO 6/24/18. # OF WELLS: 2 ROAD RUNNER FED COM 1 ROAD RUNNER FED COM 1 BBLS OIL/DAY: 1400 MCF/DAY: 7300 REASON: UNPLANNED MID	H: 30-015-43133 1H: 30-015-43900	ret or i Qa Retes APF	DNGETMAT	C Par Armeri	FOR RECC	H5118	
14. I hereby certify that the foregoing is true and correct. Electronic Submission #407424 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 03/13/2018 () Name(Printed/Typed) CATHY SEELY Title ENGINEERING TECH							
Signature (Electronic Submission) Date 03/12/2018							
	THIS SPACE FO	R FEDERA			\$E/10/20	$\overline{\times \mathbb{N}}$	
Approved By			Title		12.17	Date	
Conditions of approval, if any, are attache certify that the applicant holds legal or eq which would entitle the applicant to condu	Office	BURYAM	AD1/	h			
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a c statements or representations as t	rime for any per to any matter wit	son knowingly and hin its jurisdiction.			agency of the United	
(Instructions on page 2) ** OPERA	TOR-SUBMITTED ** OF	PERATOR-S	SUBMITTED	* OPERAT	ORSUBMITTED	**/	

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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".
- 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.

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</u> <u>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.
 - i. 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