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Form 3160-5 (June 2015)	UNITED STATES ON OIL CONSERVATIONS EPARTMENT OF THE INTERIOR ARTESIA DISTRICT				FORM APPROVED OMB NO 1004 0137	
B	UREAU OF LAND MANA	ARTMENT OF THE INTERIOR ARTESIN ARTESI			Expires January 31 2018 5 Lease Serial No	
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 ETVED					NMLC029426B	
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 CEIVED					6 If Indian, Allottee	or Tribe Name
SUBMIT IN	7 If Unit or CA/Agro	eement, Name and/or No				
1 Type of Well ☑ Oil Well ☐ Gas Well ☐ Other					8 Well Name and No HE WEST B 25	
2 Name of Operator Contact MINDY K KOTESKY LINN OPERATING, LLC E-Mail MKOTESKY@LINNENERGY COM					9 API Well No 30-015-05059	
3a Address 600 TRAVIS, SUITE 1400 HOUSTON, TX 77002		3b Phone No (11 Ph 281-840-4 Fx 832-426-5	1208		10 Field and Pool or GRAYBURG J	Exploratory Area ACKSON,SRQGSA
4 Location of Well (Footage Sec T R M or Survey Description)				11 County or Parish, State		
Sec 3 T17S R31E Mer 6PM SESE 660FSL 660FEL 32 858158 N Lat, 103 851165 W Lon					EDDY COUNTY COUNTY, NM	
12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA						
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☐ Acidize	Deeper	ı	□ Product	ion (Start/Resume)	■ Water Shut-Off
☐ Subsequent Report	Alter Casing		lic Fracturing			☐ Well Integrity
	Casing Repair	_	onstruction	Recomp	olete arily Abandon	Other Venting and/or Flari
☐ Final Abandonment Notice			☐ Water I	ng		
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. LINN RESPECTFULLY REQUESTS TO FLARE FROM 03/24/18 TO 6/21/18 AT 97 MCF/D FROM THE H E WEST B						
BATTERY DUE TO REQUES GAS	T FROM FRONTIER GAS	PLANT TO SH	IUT-IN BATTE	RY DUE TO	O HIGH NITROGE	N CONTENT IN
PLEASE SEE ATTACHED LIS	ST FOR THE WELLS INC	LUDED IN THIS	BATTERY			
4/2018 AB SEE ATTACHED FOR FOR RECORDS ONLY CONDITIONS OF APPROVAL						
	FOR REC	ORDS ON	ra CON		NS OF APP	
Be sure to submit		cenent				
14 I hereby certify that the foregoing is	Electronic Submission #4	10134 verified b	y the BLM Wel	Vinformation	n System	
	For LINN OI Committed to AFMSS for p				, , ,	
Name (Printed/Typed) MINDY K	KOTESKY		itle REGUL	ATORY SPI	CIALIST / X	/- //
Signature (Electronic S	Submission)	D	ate 04/03/20	018 - 1	PPKUXED	
	THIS SPACE FO	R FEDERAL	OR STATE		L/	
Approved By			Title Title	/	1 2918	
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to conductive the applicant to conductive the applicant to conductive the applicant to conduct	uitable title to those rights in the act operations thereon	subject lease	Office	$\rightarrow \rightarrow \leftarrow$	OF LAND MANUELY STAD FIEVE OFF OF	EXT /
Title 18 U S C Section 1001 and Title 43 States any false, fictitious or fraudulent s	USC Section 1212, make it a c statements or representations as	crime for any perso to any matter withi	n knowingly and	willfully to ma	ake to in department	agency of the United

(Instructions on page 2)

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

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30-015-26790	H E WEST A	#019 Oil	Federal			
30-015-26793	H E WEST A	#020 Oil	Federal			
30-015-26787	H E WEST A	#021 Oil	Federal			
30-015-27127	H E WEST A	#022 Qıl	Federal			
30-015-27128	H E WEST A	#023 Qıl	Federal			
30-015-27368	H E WEST A	#024 Oil	Federal			
30-015-27369	H E WEST A	#025 / Oil	Federal			
30-015-28321	H E WEST A	#026 Qıl	Federal			
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30-015-27149	H E WEST B	#052 Oil	Federal
30-015-27353	H E WEST B	#056 Oil	Federal
30-015-27317	H E WEST B	#057-01	Federal
30-015-27311	H E WEST B	#058 / Oıl	Federal
30-015-27318	H E WEST B	#059 / Qıl	Federal
30-015-27561	H E WEST B	#060-011	Federal
30-015-27401	H E WEST B	#061 Oil	Federal
30-015-28634	H E WEST B	#065 / 911	Federal
30-015-27785	H E WEST B	#066 Oil	Federal
30-015-27354	H E WEST B	#067 / Qıl	Federal
30-015-28575	H E WEST B	#068 Qıl	Federal
30-015-28535	H E WEST B	#069 Oil	Federal
30-015-28574	H E WEST B	#070 / Oil	Federal
30-015-28573	H E WEST B	#071 - 0 ₁ 1	Federal
30-015-28466	H E WEST B	#076 Oil	Federal 🔊
30-015-28387	H E WEST B	#085 / 011	Federal

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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 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) Include method for volume determination and duration 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
- 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).
 - 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/retrieveECFR7gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true</u> <u>&n=sp43 2 3170 3179&r=SUBPART</u>

If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements.