

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM APPROVED
OMB NO 1004-0137
Expires January 31, 2018**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***SUBMIT IN TRIPLICATE - Other instructions on page 2**

| | | |
|---|--|---|
| 1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5 Lease Serial No NMLC065478B |
| 2 Name of Operator APACHE CORPORATION | | 6 If Indian, Allottee or Tribe Name |
| Contact ALICIA FULTON E-Mail Alicia.fulton@apachecorp.com | | 7 If Unit or CA/Agreement, Name and/or No |
| 3a Address 303 VETERANS AIRPARK LANE MIDLAND, TX 79706 | 3b Phone No (include area code) Ph 432-818-1088 | 8 Well Name and No EMPIRE ABO UNIT D 47 |
| 4 Location of Well (Footage Sec T R M or Survey Description) Sec 26 T17S R28E | | 9 API Well No 30-015-03193 |
| | | 10 Field and Pool or Exploratory Area EMPIRE ABO (22040) |
| | | 11 County or Parish, State EDDY COUNTY, NM |

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Venting and/or Flaring |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recompletable 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.

Apache is requesting an extension to flare gas from the Empire Abo Unit D-40 Federal Battery effective 04/30/2018-07/30/2018. A combined total of approximately 500 mcf per day will be flared from the wells listed below due to high line pressure. Gas will be measured prior to flaring.

State wells except for 2 federal wells

30-015-01534 EMPIRE ABO UNIT #42-TA
30-015-01536 EMPIRE ABO UNIT #41A
30-015-01538 EMPIRE ABO UNIT #43
30-015-01550 EMPIRE ABO UNIT #38

RECEIVED

APR 19 2018

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

FOR RECORDS ONLY

DISTRICT II-ARTESIA O.C.D.

4/23/18 AB

submit subsequent reports

| | |
|--|-----------------------------|
| 14 I hereby certify that the foregoing is true and correct | |
| Electronic Submission #411863 verified by the BLM Well Information System For APACHE CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on 04/17/2018 () | |
| Name (Printed/Typed) ALICIA FULTON | Title SR/REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 04/17/2018 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| APR 17 2018 | |
| Approved By | Title |
| Conditions of approval, if any are attached. Approval of this notice does not warrant or 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. | Office |
| BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE | |
| 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)

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

Additional data for EC transaction #411863 that would not fit on the form

32 Additional remarks, continued

30-015-01557 EMPIRE ABO UNIT #37A —
30-015-01551 EMPIRE ABO UNIT #37 - TA —
30-015-01736 EMPIRE ABO UNIT #38B —
30-015-01552 EMPIRE ABO UNIT #39 —

30-015-01554 EMPIRE ABO UNIT #39A —
30-015-01555 EMPIRE ABO UNIT #40 -TA -STATE WELL —
30-015-01556 EMPIRE ABO UNIT #40A —
30-015-03194 EMPIRE ABO UNIT #46A —
30-015-03193 EMPIRE ABO UNIT #47 -federal well —
30-015-03192 EMPIRE ABO UNIT #48- federal well —
30-015-22804 EMPIRE ABO UNIT #363 —
30-015-22203 EMPIRE ABO UNIT #372 —
30-015-22805 EMPIRE ABO UNIT #373 —
30-015-22772 EMPIRE ABO UNIT #375 —
30-015-22786 EMPIRE ABO UNIT #376 —
30-015-21822 EMPIRE ABO UNIT #382 —
30-015-22776 EMPIRE ABO UNIT #382 —
30-015-22766 EMPIRE ABO UNIT #384 —
30-015-22806 EMPIRE ABO UNIT #383A —
30-015-21826 EMPIRE ABO UNIT #391 —
30-015-22911 EMPIRE ABO UNIT #391A —
30-015-22819 EMPIRE ABO UNIT #393 - TA —
30-015-22843 EMPIRE ABO UNIT #395 —
30-015-39012 EMPIRE ABO UNIT #420 —

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 without incurring a royalty 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 temporary emergency flare 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 4, 3179 103 - 3179 105. 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
- 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,
[https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43 2 3170 3179&r=SUBPART](https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43%203170%203179&r=SUBPART)

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