

Additional data for EC transaction #410588 that would not fit on the form

32. Additional remarks, continued

CHEVRON USA INC WILL ALSO BE SUBMITTING AN INITIAL NMOCD FLARE FORM C-129
(APPLICATION FOR EXCEPTION TO NO-FLARE RULE) AND RENEWING IN 90 DAY INCREMENTS.

BUREAU OF LAND MANAGEMENT

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

Condition of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission unless otherwise specified in Sundry Notice.
2. All flaring under this request is considered to be "avoidably lost":
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".

Exceptions:

- a. 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".
- 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, 3179.103 - 3179.105.