BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for properties to drill on to report on				5. Lease Serial No. NMNM120895	
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.			6. If Indi	6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on reverse side. I. Type of Well Ø Oil Well Ø Oil Well Ø Oil Well			7. If Uni	 If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. PATRON 23 FEDERAL 1H 	
			8. Well N PATF		
2. Name of Operator COG PRODUCTION LLC	Contact: E-Mail: bmaiorino	BRIAN MAIORINO @concho.com	9. API W 30-0	9. API Well No. 30-015-36776-00-S1	
3a. Address 2208 W MAIN STREET ARTESIA, NM 88210		3b. Phone No. (include area code Ph: 432-221-0467		10. Field and Pool, or Exploratory WILLOW LAKE	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description		n)	H. Cour	11. County or Parish, and State	
Sec 23 T25S R29E NWNW 990FNL 560FWL 32.120049 N Lat, 103.961926 W Lon			EDD'	EDDY COUNTY, NM	
12. CHECK APPR	OPRIATE BOX(ES) T	O INDICATE NATURE OF	NOTICE, REPORT, (DR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
🛛 Notice of Intent	C Acidize	Deepen	Production (Start/	Resume) 🔲 Water Shut-	Off
Subsequent Report	Alter Casing	Fracture Treat	Reclamation	U Well Integri	ity
Final Abandonment Notice	Casing Repair	 New Construction Plus and Abandon 	Recomplete Temperatily Abar	don Other	r Flai
	Change Plans Convert to Injection	Plug and Abandon Plug Back	Temporarily Abar Water Disposal	uon ng	
from 3/2/16 to 5/31/16		SEE A	TTACHED FO)R	
# of wells to flare: 2, 30-015-36	,	COND	ITIONS OF A		
	,	COND	ITIONS OF A	PPROVAL	
# of wells to flare: 2, 30-015-36 bbls oil/day: 120	NA	COND A OIL CONSERVATION ARTESIA DISTRICT	ITIONS OF A		
# of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500	NA	COND	ITIONS OF A	PPROVAL	
# of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500 Reason: midstream gas curtail	ment	COND A OIL CONSERVATION ARTESIA DISTRICT	ITIONS OF A		
# of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500 Reason: midstream gas curtail 14. Thereby certify that the foregoing is	ment true and correct. Electronic Submission # For COG P	COND ARTESIA DISTRICT MAR 2 9 2016 RECEIVED 332684 verified by the BLM We RODUCTION ULC, sent to the	ITIONS OF A	PPROVAL	
# of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500 Reason: midstream gas curtail 14. I hereby certify that the foregoing is Com	ment true and correct. Electronic Submission # For COG Pl mitted to AFMSS for proc	COND ARTESIA DISTRICT MAR. 2 9 2016 RECEIVED 332684 verified by the BLM We RODUCTION LLC, sent to the C essing by PRISCILLA PEREZ of	ITIONS OF A	PPROVAL	
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 # of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500 Reason: midstream gas curtail 14. I hereby certify that the foregoing is Com Name (Printed/Typed) BRIAN MA 	ment true and correct. Electronic Submission # For COG Pl mitted to AFMSS for proc IORINO	COND ARTESIA DISTRICT MAR. 2 9 2016 RECEIVED 332684 verified by the BLM We RODUCTION LLC, sent to the C essing by PRISCILLA PEREZ o Title AUTHO	ITIONS OF A I III Information System Carlsbad on 03/02/2016 (16PP061) ORIZED REPRESENT	PPROVAL	
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<pre># of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500 Reason: midstream gas curtail 14. I hereby certify that the foregoing is</pre>	ment true and correct. Electronic Submission # For COG Pl mitted to AFMSS for proc IORINO ubmission) THIS SPACE FO	COND ARTESIA DISTRICT MAR. 2 9 2016 RECEIVED 332684 verified by the BLM We RODUCTION LLC, sent to the C essing by PRISCILLA PEREZ o Title AUTHO Date 03/02/2 DR FEDERAL OR STATE	ITIONS OF A I III Information System Carlsbad on 03/02/2016 (16PP061) ORIZED REPRESENT AFPRESENT OFFICE USE MAR 1 8 20 TREAU OF LAND MAKA	PPROVAL	
 # of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500 Reason: midstream gas curtail I4. I hereby certify that the foregoing is Com Name (<i>Printed/Typed</i>) BRIAN MA Signature (Electronic Section 2014) 	ment true and correct. Electronic Submission # For COG Pl mitted to AFMSS for proc IORINO Ubmission) THIS SPACE FC	COND A OIL CONSERVATION ARTESIA DISTRICT MAR. 2 9 2016 BECEIVED B32684 verified by the BLM We RODUCTION LLC, sent to the 0 CTILLE AUTHO Date 03/02/2 DR FEDERAL OR STATE Title Title	ITIONS OF A I III Information System Carlsbad on 03/02/2016 (16PP0619 OR/ZED REPRESENT A/PINC/C OFFICE USE MAR 1 8-24	PPROVAL Accepted for IP NHAOCD 3-3 SSE) ATIVE	
<pre># of wells to flare: 2, 30-015-36 bbls oil/day: 120 mcf/day: 2500 Reason: midstream gas curtail 14. I hereby certify that the foregoing is</pre>	ment true and correct. Electronic Submission # For COG P mitted to AFMSS for proc IORINO Ubmission) THIS SPACE FC Approval of this notice does table title to those rights in the t operations thereon. U.S.C. Section 1212, make it a	COND A OIL CONSERVATION ARTESIA DISTRICT MAR. 2 9 2016 BECEIVED B32684 verified by the BLM We RODUCTION LLC, sent to the O Critice AUTHO Date 03/02/2 DR FEDERAL OR STATE S not warrant or e subject lease Crime for any person knowingly and	ITIONS OF A III Information System Carlsbad on 03/02/2016 (16PP061) ORIZED REPRESENT AL PINCINE OFFICE USE MAR 18-20 INCAU OF LAND MALA CARLSBAD FIELD OF	PPROVAL	

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BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
- 5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).

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- 6. This approval does not authorize any additional surface disturbance.
- An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- . 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.