

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCDA
Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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 reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Multiple--See Attached
2. Name of Operator XTO ENERGY INCORPORATED		6. If Indian, Allottee or Tribe Name
Contact: PATTY R URIAS E-Mail: patty_urias@xtoenergy.com		7. If Unit or CA/Agreement, Name and/or No. NMNM94450X
3a. Address 500 W ILLINOIS STREET SUITE 100 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-620-4318 Fx: 432-618-3530	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory AVALON UNDESIGNATED
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK 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"/> Fracture Treat	<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 Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

AVALON DELAWARE CENTRAL TANK BATTERY

ASSOCIATED WELLS:

- AVALON DELAWARE UNIT #226 S 30-015-24636
- AVALON DELAWARE UNIT #227 S 30-015-24710
- AVALON DELAWARE UNIT #239 S 30-015-42329
- AVALON DELAWARE UNIT #242 S 30-015-24637
- AVALON DELAWARE UNIT #243 S 30-015-24574
- AVALON DELAWARE UNIT #255 S 30-015-42330
- AVALON DELAWARE UNIT #258 S 30-015-24546
- AVALON DELAWARE UNIT #259 S 30-015-24487

**APPROVED! XTO Energy Has Approval
To Flare For 90 Day Period From
03-15-2016 Thru 06-13-2016**

Accepted for record
NMOCDA
4/26/16

NM OIL CONSERVATION
ARTESIA DISTRICT

APR 20 2016

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #334077 verified by the BLM Well Information System For XTO ENERGY INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 03/28/2016 (16PP0713SE)	
Name (Printed/Typed) PATTY R URIAS	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 03/17/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /S/ DAVID R. GLASS	Title PETROLEUM ENGINEER	Date APR 11 2016
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

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.

** BLM REVISED **

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Additional data for EC transaction #334077 that would not fit on the form

5. Lease Serial No., continued

NMNM01119
STATE

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM94450X	STATE	AVALON UNIT 259	30-015-24487-00-S1	Sec 30 T20S R28E SESW 330FSL 1980FWL
NMNM94450X	STATE	AVALON UNIT 260	30-015-42310-00-S1	Sec 30 T20S R28E SESW 500FSL 1570FWL
NMNM94450X	STATE	AVALON UNIT 261	30-015-42289-00-S1	Sec 30 T20S R28E SWSE 0610FSL 2627FEL
NMNM94450X	STATE	AVALON UNIT 226	30-015-24636-00-S1	Sec 30 T20S R28E SWNW 2310FNL 990FWL
NMNM94450X	STATE	AVALON UNIT 227	30-015-24710-00-S1	Sec 30 T20S R28E SENW 2310FNL 1980FWL
NMNM94450X	STATE	AVALON UNIT 239	30-015-42329-00-S1	Sec 30 T20S R28E NESW 2440FSL 2158FWL
NMNM94450X	STATE	AVALON UNIT 242	30-015-24637-00-S1	Sec 30 T20S R28E NWSW 1650FSL 990FWL
NMNM94450X	STATE	AVALON UNIT 243	30-015-24574-00-S1	Sec 30 T20S R28E NESW 1650FSL 1980FWL
NMNM94450X	STATE	AVALON UNIT 255	30-015-42330-00-S1	Sec 30 T20S R28E SESW 1160FSL 2195FWL
NMNM94450X	STATE	AVALON UNIT 258	30-015-24546-00-S1	Sec 30 T20S R28E SWSW 330FSL 990FWL
NMNM94450X	STATE	AVALON UNIT 262	30-015-24414-00-S1	Sec 30 T20S R28E SWSE 560FSL 1980FEL
NMNM94450X	NMNM01119	AVALON UNIT 501	30-015-24331-00-S1	Sec 31 T20S R28E NENE 660FNL 660FEL
NMNM94450X	NMNM01119	AVALON UNIT 509	30-015-24332-00-S1	Sec 31 T20S R28E NWNW 660FNL 660FWL
NMNM94450X	NMNM01119	AVALON UNIT 511	30-015-24524-00-S1	Sec 31 T20S R28E NENW 760FNL 1980FWL
NMNM94450X	NMNM01119	AVALON UNIT 515	30-015-26370-00-S1	Sec 31 T20S R28E NENE 1305FNL 1305FEL
NMNM94450X	NMNM01119	AVALON UNIT 517	30-015-24337-00-S1	Sec 31 T20S R28E SENE 1980FNL 560FEL
NMNM94450X	NMNM01119	AVALON UNIT 522	30-015-02434-00-S1	Sec 31 T20S R28E SENW 1980FNL 1980FWL
NMNM94450X	NMNM01119	AVALON UNIT 530	30-015-24335-00-S1	Sec 31 T20S R28E SWNE 1980FNL 1980FEL
NMNM94450X	NMNM01119	AVALON UNIT 536	30-015-24525-00-S1	Sec 31 T20S R28E NWSE 2310FSL 2310FEL
NMNM94450X	NMNM01119	AVALON UNIT 539	30-015-28682-00-S1	Sec 31 T20S R28E NWSW 2600FSL 1322FWL
NMNM94450X	NMNM01119	AVALON UNIT 540	30-015-24386-00-S1	Sec 31 T20S R28E NWSW 1980FSL 660FWL
NMNM94450X	NMNM01119	AVALON UNIT 543	30-015-24376-00-S1	Sec 31 T20S R28E NESW 1980FSL 1980FWL
NMNM94450X	NMNM01119	AVALON UNIT 548	30-015-24373-00-S1	Sec 31 T20S R28E NESE 1980FSL 660FEL
NMNM94450X	STATE	AVALON UNIT 609	30-015-24388-00-S1	Sec 32 T20S R28E NWNW 660FNL 660FWL
NMNM94450X	STATE	AVALON UNIT 624	30-015-24410-00-S1	Sec 32 T20S R28E SWNW 1980FNL 330FWL
NMNM94450X	STATE	AVALON UNIT 641	30-015-24409-00-S1	Sec 32 T20S R28E NWSW 1980FSL 610FWL
NMNM94450X	STATE	AVALON UNIT 643	30-015-24495-00-S1	Sec 32 T20S R28E NESW 1980FSL 1650FWL
NMNM94450X	STATE	AVALON UNIT 657	30-015-24473-00-S1	Sec 32 T20S R28E SWSW 660FSL 330FWL

32. Additional remarks, continued

AVALON DELAWARE UNIT #260 S 30-015-42310
 AVALON DELAWARE UNIT #261 S 30-015-42289
 AVALON DELAWARE UNIT #262 S 30-015-24414
 AVALON DELAWARE UNIT #501 F 30-015-24331
 AVALON DELAWARE UNIT #509 F 30-015-24332
 AVALON DELAWARE UNIT #511 F 30-015-24524
 AVALON DELAWARE UNIT #515 F 30-015-26370
 AVALON DELAWARE UNIT #517 F 30-015-24337
 AVALON DELAWARE UNIT #522 F 30-015-02434
 AVALON DELAWARE UNIT #530 F 30-015-24335
 AVALON DELAWARE UNIT #536 F 30-015-24525
 AVALON DELAWARE UNIT #539 F 30-015-28682
 AVALON DELAWARE UNIT #540 F 30-015-24386
 AVALON DELAWARE UNIT #543 F 30-015-24376
 AVALON DELAWARE UNIT #548 F 30-015-24373
 AVALON DELAWARE UNIT #609 S 30-015-24388
 AVALON DELAWARE UNIT #624 S 30-015-24410
 AVALON DELAWARE UNIT #641 S 30-015-24409
 AVALON DELAWARE UNIT #643 P 30-015-24495
 AVALON DELAWARE UNIT #657 S 30-015-24473

FLARING AS OF 3/15/16 DUE TO 3RD PARTY GAS PURCHASER SHUT IN OF SALES LINE

The unexpected malfunction of an equipment maintained by 3RD PARTY GAS PURCHASER has caused emergency flaring from the AVALON DELAWARE CTB of approximately 500 mcf/day. The volumes flared as a result of this equipment malfunction and force majeure event constitute "unavoidably lost" production under NTL 4A

Section II.C.(2) ("Unavoidably lost" production shall mean "(2) that oil or gas which is lost because of line failures, equipment malfunctions, blowouts, fires, or otherwise") and NTL 4A Section III.A. ("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. During temporary emergency situations, such as compressor or other equipment failures"). Therefore, the flared volumes are not royalty bearing under NTL 4A. *See Attached Conditions Of Approval.*

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
(575) 234-5972
Venting and/or Flaring
Conditions of Approval

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.

Conditions of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. 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).
6. This approval does not authorize any additional surface disturbance.
7. 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.