| Form 3160-5 (June 2015) DEF | 2015) DEPARTMENT OF THE INTERIONINGCO | | | FORM APPROVED OMB No. 1004-0137 Expires: January 31, 2018 | |
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| BUREAU OF LAND MANAGEMENT Artes | | | 5. Lease Serial No. NI | 5. Lease Serial No. NMLC057798 | |
| 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. | | | 6. If Indian, Allottee or | 6. If Indian, Allottee or Tribe Name | |
| | TRIPLICATE - Other instruct | | 7. If Unit of CA/Agree | ment. Name and/or No. | |
| Type of Well Oil Well Gas Well Other | | | 8. Well Name and No. | 8. Well Name and No. LOGAN 35 FEDERAL 1 9. API Well No. 30-015-36081 | |
| 2. Name of Operator LIME ROCK RESOURCES II-A,L.P. | | | 9. API Well No. 20.01 | | |
| 3a. Address 1111 BAGBY STREET 3b. Phone No. (include area code) | | | | 10. Field and Pool or Exploratory Area | |
| HOUSTON, TX 77002 (575) 365-9724 | | REDLAKE; FLORIE | REDLAKE; FLORIETA - YESO NE | | |
| 4. Location of Well (Footage, Sec., T.,R.M., or Survey Description) 1520' FNL & 1280' FEL; Section 35-17S-27E | | | - | 11. Country or Parish, State EDDY COUNTY, NM | |
| 12. CHE | CK THE APPROPRIATE BO | K(ES) TO INDICATE NATURE | OF NOTICE, REPORT OR OTH | ER DATA | |
| TYPE OF SUBMISSION | | ТҮР | E OF ACTION | | |
| ✓ Notice of Intent | Acidize | Deepen Ilydraulic Fracturing | Production (Start/Resume) Reclamation | Water Shut-Off Well Integrity | |
| Subsequent Report | Casing Repair | New Construction Plug and Abandon | Recomplete Temporarily Abandon | Other Venting and/or Flaring | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Water Disposal | | |
| Requesting to flare gas due to DCP Midstream shut in. Estimated Volume - 550 mcf | | | Ac | Septed for record | |
| Estimated Time - 01/02/2016 to Please see attached well list fo | o 01/07/2016. Goday (| epproval | <i>Č</i> | -14-15-1L | |
| | JAY | 1- Eracolinairi | | | |
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| · | NM OIL ART | CONSERVATION | | CHED FOR NS OF APPROVA | |
| · · · · · · · · · · · · · · · · · · · | ART ART | CONSERVATION TESIA DISTRICT PR 08 2016 | | CHED FOR NS OF APPROVA | |
| | ART ART | TESIA DISTRICT | | | |
| 14. 1 hereby certify that the foregoing is MICHAEL BARRETT | ART ART | PR 08 2016 PR 08 2016 RECEIVED ed/Typed) PRODUCTI | | | |
| | ART ART | PR 08 2016 PR 08 2016 RECEIVED | CONDITIO | NS OF APPROVA | |
| MICHAEL BARRETT | ART AF true and correct. Name (Printe | PR 08 2015 PR 08 2016 RECEIVED Ed/Typed) Title | | NS OF APPROVA | |
| MICHAEL BARRETT | ART AF true and correct. Name (Printe | TESIA DISTRICT PR 08 2016 RECEIVED ed/Typed) Title PRODUCTI Date FOR FEDERAL OR STA | | NS OF APPROVA | |
| MICHAEL BARRETT | ART AF True and correct. Name (Printe AF AF THE SPACE F THE SPACE F thed. Approval of this notice doe equitable title to those rights in | TESIA DISTRICT PR 0 8 2016 RECEIVED ed/Typed) Title PRODUCTI Date FOR FEDERAL OR STA Title Title | | NS OF APPROVA | |
| MICHAEL BARRETT Signature Mult (Approved by Conditions of approval, if any, are attack certify that the applicant holds legal or e | ART AF True and correct. Name (Printe SST THE SPACE F THE SPACE F thed. Approval of this notice doe equitable title to those rights in the duct operations thereon. 3 U.S.C Section 1212, make it a | PRODUCTI PROB 2016 PRODUCTI Title PRODUCTI Title Date PRODUCTI Title Date COR FEDERAL OR STA Title COR FEDERAL OR STA Title Construction of the subject lease Construction of th | CONDITIO | NS OF APPROVA | |

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LOGAN 35 BATTERY NMLC057798

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30-015-36081 30-015-36081 30-015-30436 30-015-30436 30-015-30408 30-015-30408 30-015-30437 30-015-30437 30-015-30475 30-015-30475 30-015-30438 30-015-30438 30-015-30749 30-015-30749 30-015-30750 30-015-30750 30-015-30735 30-015-30735 30-015-30736 30-015-30736 30-015-40806

nm 117800

NMLC 057798

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
- 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.
- 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.