Form 3160-5 (August 2007)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS not use this form for proposals to defit and

5. Lease Serial No. NMNM111946

| Do not use this form for proposals to drill or to re-enter ad rtesia abandoned well. Use form 3160-3 (APD) for such proposals.   |  |  |  | 6. If Indian, Allottee or Tribe Name  |  |
|--|--|--|--|---|--|
|  |  |  | `  |   |  |
| SUBMIT IN TRIPLICATE - Other instructions on revers  |  | ctions on reverse side.  | 7. If Unit or C<br>NMNM13  | CA/Agreement, Name and/or No. 33169   |  |
| Type of Well   |  | •  | 8. Well Name   | and No.<br>EDERAL COM 5H  |  |
| ☑ Oil Well ☐ Gas Well ☐ Ott  |  |  |  |   |  |
| Name of Operator COG OPERATING LLC   | Contact:<br>E-Mail: kcastillo@   | KANICIA CASTILLO concho.com  | 9. API Well?<br>30-015-2   | No.<br>21066-00-S1  |  |
| a. Address<br>600 W ILLINOIS AVENUE<br>MIDLAND, TX 79701   |  | 3b. Phone No. (include area code<br>Ph: 432-685-4332   | 10. Field and<br>SEVEN I   | Pool, or Exploratory<br>RIVERS  |  |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)   |  | 1)   | 11. County of  | r Parish, and State   |  |
| Sec 35 T19S R25E SENW 1980FNL 1980FWL 32.618758 N Lat, 104.457309 W Lon  |  |  | EDDY C   | OUNTY, NM   |  |
| 12. CHECK APPI   | ROPRIATE BOX(ES) TO  | O INDICATE NATURE OF I   | NOTICE, REPORT, OR   | OTHER DATA  |  |
| TYPE OF SUBMISSION .   |  | ТҮРЕ О   | FACTION ·  |   |  |
| CR Notice of laters  | ☐ Acidize  | Deepen   | ☐ Production (Start/Res  | ume)  |  |
| Notice of Intent   | ☐ Alter Casing   | ☐ Fracture Treat   | ☐ Reclamation  | ■ Well Integrity  |  |
| ☐ Subsequent Report  | Casing Repair  | ☐ New Construction   | Recomplete   | Other ⋅   |  |
| Final Abandonment Notice   | Change Plans   | ☐ Plug and Abandon   | ☐ Temporarily Abandon  | Venting and/or Flari  |  |
|  | Convert to Injection   |  | ☐ Water Disposal   | ng  |  |
| B. Describe Proposed or Completed Ope If the proposal is to deepen directions Attach the Bond under which the worklobe in the involved testing has been completed. Final At determined that the site is ready for final COG Operating LLC, respecting the proposed of the involved of the involved testing has been completed. Final At determined that the site is ready for final COG Operating LLC, respecting the involved of the involved of the involved testing testing the involved testing testing the involved testing test | illy or recomplete horizontally,<br>k will be performed or provide<br>operations. If the operation re<br>andonment Notices shall be fil<br>nal inspection.)  | give subsurface locations and measure the Bond No. on file with BLM/BI/ sults in a multiple completion or recorded only after all requirements, included   | red and true vertical depths of<br>Required subsequent reports<br>impletion in a new interval, a Fing reclamation, have been cor-  | all pertinent markers and zones,<br>shall be filed within 30 days<br>form 3160-4 shall be filed once<br>inpleted, and the operator has  |  |
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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
- 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.