

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNM OIL CONSERVATION
ARTESIA DISTRICT

OCT 31 2016

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.*

RECEIVED

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 COG OPERATING LLC		6. If Indian, Allottee or Tribe Name
3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701		7. If Unit or CA/Agreement, Name and/or No. NMNM88525X
3b. Phone No. (include area code) Ph: 432-685-4332		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 Multiple--See Attached
		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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<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 recompleat 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 recompleat 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.)

COG Operating LLC, respectfully request to flare at the Burch Keely Unit 13C Battery.

Number of wells to flare: (19)

BURCH-KEELY UNIT #35 30-015-20378
BURCH-KEELY UNIT #215 30-015-27573
BURCH-KEELY UNIT #255 30-015-29020
BURCH-KEELY UNIT #371 30-015-33801
BURCH-KEELY UNIT #381 30-015-33806
BURCH-KEELY UNIT #543 30-015-39565
BURCH-KEELY UNIT #616 30-015-38517
BURCH-KEELY UNIT #620 30-015-39569

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #350545 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 09/09/2016 (16DLM0897SE)	
Name (Printed/Typed) KANICIA CASTILLO	Title PREPARER
Signature (Electronic Submission)	Date 09/09/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>CHARLES NIMMER</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>10/26/2016</u>
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 <u>Carlsbad</u>

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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #350545 that would not fit on the form

5. Lease Serial No., continued

NMLC028784A
NMLC028784B
NMLC028784C
NMLC028793A
NMLC028793C
NMLC054406

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 956H	30-015-42241-00-S1	Sec 23 T17S R29E SENE 1650FNL 165FEL 32.822641 N Lat, 104.036886 W Lon
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 215	30-015-27573-00-S1	Sec 13 T17S R29E SESW 1295FSL 1345FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 255	30-015-29020-00-S1	Sec 13 T17S R29E SWSW 1295FSL 330FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 35	30-015-20378-00-S1	Sec 13 T17S R29E SWSW 660FSL 660FWL
NMNM88525X	NMLC028784C	BURCH KEELY UNIT 371	30-015-33801-00-S1	Sec 13 T17S R29E NWSW 1900FSL 660FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 381	30-015-33806-00-S1	Sec 13 T17S R29E SWSW 660FSL 710FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 543	30-015-39565-00-S1	Sec 24 T17S R29E NENW 125FNL 1370FWL
NMNM88525X	NMLC054406	BURCH KEELY UNIT 616	30-015-38517-00-S1	Sec 24 T17S R29E NWNW 532FNL 660FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 620	30-015-39569-00-S1	Sec 24 T17S R29E SWNW 1870FNL 730FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 621	30-015-40325-00-S1	Sec 24 T17S R29E SENW 2042FNL 1531FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 857	30-015-40381-00-S1	Sec 24 T17S R29E SWNW 1493FNL 752FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 902	30-015-40329-00-S1	Sec 24 T17S R29E SWNW 1359FNL 213FWL
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 905	30-015-40540-00-S1	Sec 13 T17S R29E SWSW 330FSL 330FWL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 935H	30-015-42748-00-S1	Sec 13 T17S R29E NWSW 1650FSL 200FWL 32.831708 N Lat, 104.036927 W Lon
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 936H	30-015-40888-00-S1	Sec 13 T17S R29E SWSW 990FSL 330FWL
NMNM88525X	NMLC028793A	BURCH KEELY UNIT 937H	30-015-42759-00-X1	Sec 13 T17S R29E SWSW 330FSL 200FWL 32.828081 N Lat, 104.035693 W Lon
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 947H	30-015-40637-00-S1	Sec 23 T17S R29E NENE 990FNL 330FEL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 948H	30-015-42723-00-S1	Sec 23 T17S R29E SENE 1630FNL 335FEL 32.822696 N Lat, 104.037439 W Lon
NMNM88525X	NMLC028784A	BURCH KEELY UNIT 954H	30-015-42240-00-S1	Sec 23 T17S R29E NENE 507FNL 172FEL 32.825780 N Lat, 104.036910 W Lon

10. Field and Pool, continued

GRAYBURG
UNKNOWN

32. Additional remarks, continued

BURCH-KEELY UNIT #621 30-015-40325
BURCH-KEELY UNIT #857 30-015-40381
BURCH-KEELY UNIT #902 30-015-40329
BURCH-KEELY UNIT #905 30-015-40540
BURCH-KEELY UNIT #935H 30-015-42748
BURCH-KEELY UNIT #936H (FKA 13 #7H) 30-015-40888
BURCH-KEELY UNIT #937H 30-015-42759
BURCH-KEELY UNIT #947H (FKA 2H) 30-015-40637
BURCH-KEELY UNIT #948H 30-015-42723
BURCH-KEELY UNIT #954H 30-015-42240
BURCH-KEELY UNIT #956H 30-015-42241

1100 Oil
4900 MCF
Requesting 90 flare approval from 9/13/16 to 12/12/16.
Due to: Frontier plant maintenance.

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

COG Operating LLC
Burch Keely Unit Battery
NMLC028784A

10/26/2016

Pursuant to **NTL-4A III**, 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:

- A. Emergencies. During temporary emergency situations, such as compressor or other equipment failures, relief of abnormal system pressures, or other conditions which result in the unavoidable short-term venting or flaring of gas. However, this authorization to vent or flare gas in such circumstances without incurring a royalty obligation is limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month, except with the prior authorization, approval, ratification, or acceptance of the Supervisor.
- B. Well Purging and Evaluation Tests. During the unloading or cleaning up of a well during drillstem, producing, routine purging, or evaluation tests, not exceeding a period of 24 hours.
- C. Initial Production Tests. During initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first, unless a longer test period has been authorized by the appropriate State regulatory agency and ratified or accepted by the Supervisor.
- D. Routine or Special Well Tests. During routine or special well tests, other than those cited in NTL-4A III.B and C above, only after approval by the Supervisor.

If a flaring event conforms with the requirements listed above as per NTL-4A III., the flared volumes are not royalty bearing and the operator does not need to submit a Sundry Notice. Report flared volumes as unavoidably lost on OGOR B.

Condition of Approval to Flare Gas

1. 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). NTL-4A specifies no more than 24 hours per incident and no more 144 hours cumulative for the lease during any calendar month. These Volumes are not royalty bearing and shall be reported on OGOR "B" as disposition code "23".
2. Flared volumes considered to be "avoidably lost":
 - Exceeding the first 24 hours for each temporary emergency flare event (144 hours cumulative for the lease per month), well purging and evaluation test.
 - During initial well evaluation tests, exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first
 - Scheduled flaring operations

These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in NTL-4A are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with NTL-4A.IV.B.. Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08". If the operator believes that the flared volumes were "unavoidably lost" and the BLM determines them to be "avoidably lost", the operator can submit a more detailed request via Sundry Notice (Form 3160-5) for an exception in accordance with NTL-4A.IV.B.. As an

- alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.
3. Approval not to exceed 90 days, (from 09/13/2016 to 12/12/2016), if flaring is still required past 90 days submit new request for approval.
 4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). Include method for volume determination and duration. Report unavoidably lost (first 24 hrs of unexpected event) and avoidably lost (exceeding the first 24 hrs or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.
 5. In determining the volumes of gas to be reported in accordance with NTL-4A the BLM CFO requires 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 Notice (Form 3160-5).
 - If installation of an approved gas meter is not economically feasible for continued operations. Submit Notice of Intent - Sundry Notice (Form 3160-5) to request an alternate method of determining gas volumes with a valid justification. Alternate methods are listed in NTL-4A. The Authorized Officer may require the installation of additional measurement equipment whenever it is determined that the present methods are inadequate to meet the purposes of this Notice.
 6. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
 7. This approval does not authorize any additional surface disturbance.
 8. Subject to like approval from NMOCD

Regulations and Definitions

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.

NTL-4A.IV.B. Oil Well Gas. Except as provided in II.C and III above, oil well gas may not be vented or flared unless approved in writing by the Supervisor. The Supervisor may approve an application for the venting or flaring of oil well gas if justified either by the submittal of **(1)** an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the Supervisor that the expenditures necessary to market or beneficially use such gas are not economically justified and that conservation of the gas, if required, would lead to the premature abandonment of recoverable oil reserves and ultimately to a greater loss of equivalent energy than would be recovered if the venting or flaring were permitted to continue or **(2)** an action plan that will eliminate venting or flaring of the gas within 1 year from the date of application.

*Temporary Emergency Flaring is defined as an unexpected situation requiring immediate action. A flaring event is considered an emergency if the occurrence is out of the operators control and the operator had less than 24 hrs notification of the event. Scheduled or routine flare events will not be considered an emergency.