Form 3160-5 (June 2015)

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

### NMOCD Artesia

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

## Expires: January 5. Lease Serial No. NMNM130862

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

abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
Type of Well     ☐ Gas Well ☐ Other					8. Well Name and No. HASTA LA VISTA 1 DI FED COM 1H		
Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com					9. API Well No. 30-015-42533-00-S1		
3a. Address 3b. Phone No. (include area code)					10. Field and Pool or Exploratory Area		
P O BOX 2760 MIDLAND, TX 79702			432-683-2277		BONE SPRINGS UNKNOWN		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State		
Sec 6 T20S R31E Lot 3 330FNL 2280FWL 32.363116 N Lat, 103.543449 W Lon					EDDY COUNTY, NM		
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	IER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
■ Notice of Intent	☐ Acidize	☐ Acidize ☐ Deepen ☐ Pro		☐ Produc	tion (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	☐ Hyd	Iraulic Fracturing	☐ Reclamation		■ Well Integrity	
☐ Subsequent Report	☐ Casing Repair		v Construction	☐ Recom	<u>-</u> '	☑ Other Venting and/or Flari	
☐ Final Abandonment Notice	Change Plans		☐ Plug Back ☐ Water Di		rarily Abandon	ng	
	☐ Convert to Injection					work and approximate duration thereof.	
determined that the site is ready for f BOPCO, LP respectfully subn the referenced location for 90 Wells at this battery:	nits this sundry notice for a days April - June 2017.		nt to intermittently		OIL CONSERVA	ATION	
					TAYGOI BED THE	FOR	
Estimated flare volume is 100 MCFD.					OITIONS OF	APPROVAL	
Estimated flare volume is 100 MCFD.  Flaring is necessary due to restricted pipeline capacity.  CONDITIONS OF APPROVAL							
Volumes will be metered and reported on the monthly production reports.					81111		
14. I hereby certify that the foregoing is	s true and correct. Electronic Submission #	369658 verifie	d by the Bl MWel	Informatio	n System	N N	
Cor		30PCO LP, se	nt to the Carlsba	d	7 1 1		
	CHERRY			ATORY AN	· X ( ) ( )	/11	
					PPROVED	<del>/                                    </del>	
Signature (Electronic			Date 03/13/2				
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE	1	
Approved By			Title		AUG / ZOII		
Conditions of approval, if any, are attache certify that the applicant holds legal or eq which would entitle the applicant to condu	Office	BUNEA	TO LAND MAY CENTRES BASE FIELD AFFIC	MT /			
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a	crime for any pe	erson knowingly and				
	satisfients of representations as	to any matter w	inin io juristicupii.			<del></del>	
(Instructions on page 2)	ISED ** BLM REVISEI		,	1			

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

#### Pursuant to, 43 CFR 3179

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. 43 CFR 3179.105 Emergencies (a) An operator may flare or, if flaring is not feasible given the emergency, vent gas royalty-free under §3179.4 (a) (vi) of this subpart during an emergency. For purposes of this subpart, an "emergency" is a temporary, infrequent and unavoidable situation in which the loss of gas or oil is uncontrollable or necessary to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment. For purposes of royalty assessment, an "emergency" is limited to a short-term situation of 24 hours or less (unless the BLM agrees that the emergency conditions necessitating venting or flaring extend for a longer period) caused by an unanticipated event or failure that is out of the operator's control and was not due to operator negligence.
- B. 43 CFR 3179.4 **Determining when the loss of oil or gas is avoidable or unavoidable**. (2) *Avoidably lost oil* or gas means: Lost oil or gas that is not "unavoidably lost," as defined in paragraph (a) of this section; waste oil that became waste oil through operator negligence; and, any "excess flared gas," as defined in §3179.7.
- C. 43 CFR 3179.5 When lost production is subject to royalty.
  - (a) Royalty is due on all avoidably lost oil or gas.
  - (b) Royalty is not due on any unavoidably lost oil or gas.

### **Condition of Approval to Flare Gas**

- 1. The first 24 hours of a <u>temporary emergency flare</u> 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). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- Flared volumes considered to be "avoidably lost":
   These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5).
   Volumes flared beyond limits defined in 43 CFR 3179.7 are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with 43 CFR 3179.
   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 43 CFR 3179.4, 3179.103 3179.105. 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, 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, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
- 6. The operator must estimate or measure all volumes of gas vented or flared gas by one of the following methods.
  - Measure the flare gas by a meter. The meter shall meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175 (due to volume of gas being flared).
     Include meter serial number on Sundry Notice (Form 3160-5).
  - ii. Calculate the volume of the flared gas based on the results of a regularly performed GOR test and measured values for the volumes of oil production and gas sales, so as to allow BLM to independently verify the volume, rate, and heating value of the gas flared.

Regulation Ref: Link to 43 CFR 3179 **Waste Prevention and Resources Conservation**; <a href="https://www.ecfr.gov/cgi-">https://www.ecfr.gov/cgi-</a>

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