Form 3160-5 (June 2015)	UNITED STATE DEPARTMENT OF THE BUREAU OF LAND MAN	INTERIOR	NMOCD Artesia		FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018		
SUNDRY NOTICES AND REPORTS ON WEL					5. Lease Serial No. NMLC064894A		
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 Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					 If Unit or CA/Agreement, Name and/or No. NMNM710161 		
1. Type of Well ☐ Gas Well ☐ Other					8. Well Name and No. POKER LAKE UNIT CVX JV PC 1H		
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com					9. API Well No. 30-015-36635-00-S1		
3a. Address3b. Phone No. (include area code)P O BOX 2760Ph: 432-683-2277MIDLAND, TX 79702Ph: 432-683-2277					10. Field and Pool or Exploratory Area WILDCAT		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State		
Sec 17 T25S R30E SESE 350FSL 350FEL					EDDY COUNTY, NM		
12. CHECK T	HE APPROPRIATE BOX(ES) TO INDICATE	E NATURE OI	F NOTICE,	, REPORT, OR OTI	HER DATA	
TYPE OF SUBMISSIO	N	TYPE OF ACTION					
🛛 Notice of Intent	🗖 Acidize	🗖 Deepe	🗖 Deepen		tion (Start/Resume)	Water Shut-Off	
Subsequent Report	□ Alter Casing		ulic Fracturing	□ Reclamation		Well Integrity	
_ , ,	Casing Repair	—	□ New Construction		plete	🛛 Other Venting and/or Flari	
Final Abandonment No	Detice Change Plans	·· •	Plug and Abandon Plug Back		orarily Abandon ng Disposal		
If the proposal is to deepen of Attach the Bond under which following completion of the testing has been completed. determined that the site is re		y, give subsurface loo de the Bond No. on fi results in a multiple o filed only after all rec	cations and measu le with BLM/BIA completion or reco juirements, includ	red and true v Required su mpletion in a ing reclamatic	ertical depths of all pertin bsequent reports must be new interval, a Form 316	nent markers and zones. e filed within 30 days 60-4 must be filed once	
BOPCO, LP respectful 90-days, April - June 2	ly submits this sundry for Notic 017.	e of Intent to inte	rmittently flare		1	·	
 Wells associated at PLU Pierce Canyon 17 Fed Battery are: Poker Lake Unit CVX JV PC 001H* / 30-015-36635-00-S1 Poker Lake CVX JV RR 006H / 30-015-36636-00-S1 Poker Lake Unit CVX JV RR 010H / 30-015-42158-00-S1 Poker Lake Unit CVX JV PC 021H / 30-015-42390-00-S1 				COLU COLU	MM OIL CO ARTESIA	NGERVATION DISTRICT 2017 NB	
Estimated amount to flare is 100 MCFD, depending on pipeline conditions. Flaring with intermittent and is necessary due to restricted pipeline capacity.				ll be	AUG OS RECEIV		
14. I hereby certify that the for	Electronic Submission	r BOPCO LP, seni	to the Carlsba	d	ñ System		
Name(Printed/Typed) TR	1	ATORY AN	A the second sec	1×51 11			
Signature (Electronic Submission)			Date 03/13/20		AUG /	toir MANY	
	THIS SPACE F				SE (
					CARLSBAD INC.		
Approved By Conditions of approval, if any, are attached. Approval of this notice does not warrant or			Title	/		Date Date	
certify that the applicant holds lea which would entitle the applicant	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.							
(Instructions on page 2) ** BLN	REVISED ** BLM REVISE	ED ** BLM REV	ISED ** BLN	REVISE	D ** BLM REVISE	D **	

,*

Additional data for EC transaction #369607 that would not fit on the form

32. Additional remarks, continued

;

Gas is commingled at the flare to reduce the number flare stacks that would be needed for individual well locations.

Gas volumes will be metered prior to flaring, allocated back to each well and reported on monthly production reports

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

- 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".
- 2. 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). <u>Include method for volume determination and duration</u>. <u>Report</u> <u>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.</u>
- 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.
 - i. 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).
 - 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; https://www.ecfr.gov/cgi-

bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true &n=sp43.2.3170.3179&r=SUBPART