Form	3160-5
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(lune	2015)
(June	2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Artesia

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMLC064894A

SUNDRY NO	OTICES AND	REPORTS	ON WELLS
Do not use this :	form for prop	osals to drill o	or to re-enter an
			such proposals.

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6.	lf In	dian,	Alle	ottee	or	Tri	be	Name

	. Use Ionii 5100-5 (AFL					
SUBMIT IN TRIPLICATE - Other instructions on page 2				 If Unit or CA/Agreement, Name and/or No. NMNM71016I 		
1. Type of Well S Oil 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. Address 3b. Phone No. (include area code) P O BOX 2760 Ph: 432-683-2277 MIDLAND, TX 79702 Ph: 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	11. County or Parish, State		
Sec 17 T25S R30E SESE 350FSL 350FEL				EDDY COUNTY, NM		
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICATE NATURE C	F NOTICE, REPORT, OI	R OTHER DATA		
TYPE OF SUBMISSION		ТҮРЕ О	FACTION			
🛛 Notice of Intent	🗖 Acidize	🗖 Deepen	Production (Start/Result	me) 🔲 Water Shut-Off		
	Alter Casing	Hydraulic Fracturing	Reclamation	U Well Integrity		
Subsequent Report	Casing Repair	New Construction	Recomplete	🛛 Other		
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	Venting and/or Flari ng		
	Convert to Injection	Plug Back	Water Disposal	-		
following completion of the involved testing has been completed. Final Al determined that the site is ready for f BOPCO, LP respectfully subn 90-days, April - June 2017.	pandonment Notices must be file inal inspection. hits this sundry for Notice of ce Canyon 17 Fed Battery	ed only after all requirements, inclu of Intent to intermittently flare are:	ding reclamation, have been com e for	upleted and the operator has		
 Poker Lake Unit CVX JV PC (Poker Lake CVX JV RR 006H Poker Lake Unit CVX JV RR (Poker Lake Unit CVX JV PC (/ 30-015-36636-00-S1 010H / 30-015-42158-00-5 021H / 30-015-42390-00-5	517 517 51~	CONTON MAD	CONST		
Estimated amount to flare is 1 intermittent and is necessary	due to restricted pipeline c	pipeline conditions. Flaring w apacity.	ALEC ALEC	G 0 9 2017 AB		
14. I hereby certify that the foregoing is	Electronic Submission #3 For B	369607 verified by the BLM We OPCO LP, sent to the Carlsba essing by PRISCILLA PEREZ of				
Name (Printed/Typed) TRACIE J	CHERRY	Title REGU	ATORY ANALYST	1 7 1 1		
Signature (Electronic	Submission)	Date 03/13/2	AUG /	2017 ANV		
	THIS SPACE FO	R FEDERAL OR STATE		AAAA		
Approved By		Title	CARLSBAD P	Date		
Conditions of approval, if any, are attache certify that the applicant holds legal or eq which would entitle the applicant to condu	uitable title to those rights in the					

which would entitle the applicant to conduct operations thereon.

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) ** BLM REVISED **

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

32. Additional remarks, continued

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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 <u>without incurring a</u> 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. <u>Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08"</u>.

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