Form 3160-5 (June 2015)	DE BI	NMOCD Artesia		FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No.				
L at	BUREAU OF LAND MANAGEMENT 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.					 Lease Serial No. NMNM02887A If Indian, Allottee or Tribe Name 		
SUBMIT IN TRIPLICATE - Other instructions on page 2						7. If Unit or CA/Agreement, Name and/or No. 891000558X		
1. Type of Well Gas Well Other						8. Well Name and No. JAMES RANCH UNIT 124H		
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com						9. API Well No. 30-015-38113-00-S1		
3a. Address P O BOX 2760 MIDLAND, TX	3b. Phone No Ph: 432-68	o. (include area code) 33-2277		10. Field and Pool or Exploratory Area QUAHADA RIDGE SE DELAWARE QUAHADA RIDGE-DELAWARE				
4. Location of Well Sec 17 T23S R3			11. County or Parish, State EDDY COUNTY, NM					
12. CH	ECK THE AI	PROPRIATE BOX(ES)	TO INDICA	TE NATURE OF	NOTICE	E, REPORT, OR OT	HER DATA	
TYPE OF SUB	TYPE OF SUBMISSION TYPE OF ACTION							
☑ Notice of Inten □ Subsequent Re □ Final Abandon	port	 Acidize Alter Casing Casing Repair Change Plans Convert to Injection 	D Nev	epen draulic Fracturing w Construction g and Abandon g Back	ruction		 Water Shut-Off Well Integrity Other Venting and/or Flaring 	
following completion testing has been cor determined that the BOPCO, LP res 90-days, April - Wells associate JAMES RANCH JAMES RANCH JAMES RANCH JAMES RANCH JAMES RANCH Stimated amoun intermittent and	on of the involved npleted: Final Al site is ready for f pectfully subn June 2017. d at the JRU 1 UNIT 119H / UNIT 124H* I UNIT 124H* I UNIT 124H / I UNIT 120H / I UNIT 111H / unt to flare is 1 is necessary of	hits this sundry for Notice of 24 battery are as follows: 30-015-38117-00-S1 / 30-015-38113-00-S1 30-015-38119-00-S1 30-015-38116-00-S1 30-015-38120-00-S1 00 MCFD, depending on p due to restricted pipeline of	pipeline con	le completion or recor requirements, includi Intermittently flare i SE CC	npletion in a ng reclamati for E ATT NDIT	TACHED FO	60-4 must be filed once and the operator has PROVAL SERVATION DISTRICTION 9 2017	
14. I hereby certify the Name (Printed/Type	Con	Electronic Submission #3	OPCO LP. s	ent to the Carisbac SCILLA PEREZ on	03/14/201	T XI	EIVER	
Signature	(Electronic S	Submission)		Date 03/13/20	11	FILL NOWL	774	
		THIS SPACE FO	R FEDER	AL OR STATE (OFFICEL	JSEAUG (720	'INMAN	
certify that the applicant which would entitle the a Title 18 U.S.C. Section 1	holds legal or equapplicant to condu- 1001 and Title 43	 d. Approval of this notice does aitable title to those rights in the act operations thereon. U.S.C. Section 1212, make it a statements or representations as 	subject lease	Title Office erson knowingly and vithin its jurisdiction.	×	LAU OF LANG MAN CARLSBAD/FIELD OF nake to any department o		
(Instructions on page 2)	** BLM REV	ISED ** BLM REVISED) ** BLM R	EVISED ** BLM	REVISE	D ** BLM REVISE	D **	

Additional data for EC transaction #369650 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 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".
- 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>. Report <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; <u>https://www.ecfr.gov/cgi-</u>

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