Form 3160-5 (June 2015) UNITED STATES DEPARTMENT OF THE INTERIOR 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 (CD)					FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018	
					5. Lease Serial No. NMNM91078	
					6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page Artesia					7. If Unit or CA/Agree	ement, Name and/or No.
1. Type of Well ☑ Oil Well □ Gas Well □ Other					8. Well Name and No. LONGVIEW FEDERAL 12 004H	
2. Name of Operator Contact: CAITLIN O'HAIR RKI EXPLORATION & PRODUCTION E-Mail: caitlin.ohair@wpxenergy.com					9. API Well No. 30-015-42238	
3a. Address 3500 ONE WILLIAMS CENTE TULSA, OK 74172	3b. Phone No. (include area code) Ph: 539-573-3527			10. Field and Pool or Exploratory Area CULEBRA BLUFF;BONE SPRING		
4. Location of Well (Footage, Sec., T)			11. County or Parish, State		
Sec 12 T23S R28E 565FNL 3 32.325939 N Lat, 104.033103				EDDY COUNTY, NM		
12. CHECK THE AF	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	🗖 Dee	Deepen		ion (Start/Resume)	U Water Shut-Off
	□ Alter Casing	🗖 Hyd	Iraulic Fracturing	C Reclama	ation	U Well Integrity
Subsequent Report	Casing Repair	Nev	v Construction	🗖 Recomp	olete	Other
Final Abandonment Notice	Change Plans		g and Abandon	Temporarily Abandon		Venting and/or Flari ng
	Convert to Injection	Plug Back 🖸 Water		U Water D	Disposal	
13. Describe Proposed or Completed Ope If the proposal is to deepen directiona Attach the Bond under which the wor following completion of the involved testing has been completed. Final Ab determined that the site is ready for final	ally or recomplete horizontally, k will be performed or provide operations. If the operation re bandonment Notices must be fil	give subsurface the Bond No. o sults in a multip	locations and measu n file with BLM/BIA le completion or reco	Required sub mpletion in a r	rtical depths of all pertin osequent reports must be new interval, a Form 316	ent markers and zones. filed within 30 days 0-4 must be filed once
RKI EXPLORATION & PROD central delivery point down sh	UCTION, LLC requests to ut down.	o flare at this	site due to the Lo	-		
Flaring to start on 12/01/2017 and end on 12/31/2017.					ODBIONE	CONSERVATION
Estimated gas to be flared per		FOR RECORDSING HE CONSERVATION				
MCF/D = 262 Oil BBLS/D = 63	TTA CHE			CUED	FCTABA	PR 09 2018
	SEE ATTACHED FC				EADDROVA	L /
			CONDITI	ONSU	FAITRON	RECEIVED
submitted a	the the face	et				
14. I hereby certify that the foregoing is	Electronic Submission #	ATION & PRO	DUCTION, sent to	o the Carlsba	d 📈	
Name (Printed/Typed) CAITLIN (-	Title SUBMIT	TTER			
Signature (Electronic S		Date 0B/27/2018 APPROVED			XI	
	THIS SPACE FO	DR FEDER	AL OR STATE	OFFICE U	SE //	112
				A /	PR 2/2018 /	
Approved By	Title			$\neg q \downarrow$	Date	
Conditions of approval, if any, are attached			BUREAU	OF LAND MANAGEM		
certify that the applicant holds legal or equivient which would entitle the applicant to condu-	e subject lease	subject lease Office CARLSBAD FILD OFFICE				
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a statements or representations as	crime for any p to any matter w	erson knowingly and ithin its jurisdiction.	willfully to ma	ike to and department or	agency of the United
(Instructions on page 2) ** OPERAT	OR-SUBMITTED ** O	PERATOR	SUBMITTED *	* OPERAT	OR-SUBMITTED	** //
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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> <u>royalty</u> 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>. <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).
 - 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; https://www.ecfr.gov/cgi-

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

If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements.