

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ArtesiaFORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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.*5. Lease Serial No.  
NMNM03677

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
STEBBINS 20 FEDERAL 124H9. API Well No.  
30-015-4418510. Field and Pool or Exploratory Area  
WC015G04S202920D BONE SPG11. County or Parish, State  
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

MATADOR PRODUCTION COMPANY

Contact: AVA MONROE

E-Mail: amonroe@matadorresources.com

3a. Address

5400 LBJ FREEWAY STE 1500  
DALLAS, TX 75240

3b. Phone No. (include area code)

Ph: 972-371-5200  
Fx: 972-371-5201

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 20 T20S R29E Mer NMP SWSW 361FSL 130FWL

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen               | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off   |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity   |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       | Venting and/or Flaring                    |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back            | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

BLM BOND NO. NMB0001079  
SURETY BOND NO. RLB0015172Adding Stebbins 19 Federal 124H  
NMNM-00367730-015-44172 producing from Russell; Bone Spring, to permission to flare at common flare point. Also flaring here:Stebbins 20 Federal 124H 30-015-44185-00-S1  
Stebbins 20 Federal 134H 30-015-44175-00-X-1See EC #403179 - Requested permission to flare 02/05 - 05/05/18 due to HLP and equipment freezing.  
Stebbins 19 Federal 124H began flaring 3/09/18 at this flare point. Requesting to add to flare**FOR RECORDS ONLY****SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

|   |                               |
|---|-------------------------------|
| 14. I hereby certify that the foregoing is true and correct.  |                               |
| Electronic Submission #409155 verified by the BLM Well Information System<br>For MATADOR PRODUCTION COMPANY, sent to the Carlsbad<br>Committed to AFMSS for processing by JENNIFER SANCHEZ on 03/26/2018 () |                               |
| Name (Printed/Typed) JOHN ROMANO  | Title AREA PRODUCTION MANAGER |
| Signature (Electronic Submission)   | Date 03/23/2018               |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |              |
|---|--------------|
| Approved By _____   | Title _____  |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | 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)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

**Additional data for EC transaction #409155 that would not fit on the form**

**32. Additional remarks, continued**

permission 3/09/18 - 05/05/18.

**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 temporary emergency flare 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). 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.
  - 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 H<sub>2</sub>S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements.**



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NMNM108463

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

YELLOW FIN FEDERAL COM 2H

2. Name of Operator

COG OPERATING LLC

Contact: CATHY SEELY

E-Mail: cseely@concho.com

9. API Well No.

30-015-41129

3a. Address

2208 W MAIN STREET  
ARTESIA, NM 88210

3b. Phone No. (include area code)

Ph: 575-748-1549

10. Field and Pool or Exploratory Area

WC015G04S262619C

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 19 T26S R26E NENW 300FNL 2000FWL  
32.034320 N Lat, 104.334632 W Lon

11. County or Parish, State

EDDY COUNTY, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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ACTUAL GAS FLARED AT THE YELLOW FIN FED COM 2H BTY FROM 10/23/17 TO 1/21/18.  
NOI SUBMISSION #392940

WELLS:

YELLOW FIN FED COM 2H: 30-015-41129

OCTOBER: 0 MCF

NOVEMBER: 0 MCF

DECEMBER: 0 MCF

NM OIL CONSERVATION  
ARTESIA DISTRICT

APR 09 2018

FOR RECORDS ONLY

RECEIVED

41018AB

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #409033 verified by the BLM Well Information System  
For COG OPERATING LLC, sent to the Carlsbad  
Committed to AFMSS for processing by JENNIFER SANCHEZ on 03/26/2018 ( )

Name (Printed/Typed) CATHY SEELY

Title ENGINEERING TECH

Signature

(Electronic Submission)

Date

03/23/2018

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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**32. Additional remarks, continued**

JANUARY: 0 MCF