| B | UNITED STATES PARTMENT OF THE D UREAU OF LAND MANA | NTERIOR GEMENTA TOTAL | OMB | I APPROVED NO. 1004-0137 January 31, 2018 | |
|--|--|--|---|---|--|
| SUNDRY Do not use thi | NOTICES AND REPO | drill or tore emergen A D) for succession | 6. If Indian, Allottee | | |
| SUBMIT IN | 7. If Unit or CA/Agr | eement, Name and/or No. | | | |
| 1. Type of Well | NMNM88510 | 8. Well Name and No. | | | |
| Oil Well 🛛 Gas Well 🗂 Oth | | SKELLY FEDERAL 2 | | | |
| 2. Name of Operator FASKEN OIL & RANCH LIMITED Contact: STEPHANIE GUTIERREZ E-Mail: stephanieg@forl.com | | | 9. API Well No. 30-015-27326- | 30-015-27326-00-S1 | |
| 3a. Address 6101 HOLIDAY HILL ROAD MIDLAND, TX 79707 | | 3b. Phone No. (include area code) Ph: 432-687-1777 | 10. Field and Pool or CEMETARY | 10. Field and Pool or Exploratory Area CEMETARY | |
| 4. Location of Well (Footage, Sec., 7 | C, R., M., or Survey Description |) | 11. County or Parish | 11. County or Parish, State EDDY COUNTY, NM | |
| Sec 9 T21S R24E SENW | | | EDDY COUNT | | |
| 12. CHECK THE AI | PPROPRIATE BOX(ES) | TO INDICATE NATURE O | F NOTICE, REPORT, OR OT | HER DATA | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Notice of Intent | | Deepen | Production (Start/Resume) | □ Water Shut-Off | |
| _ | Alter Casing | Hydraulic Fracturing | Reclamation | U Well Integrity | |
| Subsequent Report | Casing Repair | New Construction | Recomplete | 🛛 Other Venting and/or Flari | |
| Final Abandonment Notice | Change Plans Convert to Injection | Plug and Abandon Plug Back | Temporarily Abandon Water Disposal | ng | |
| Attach the Bond under which the wo following completion of the involved | rk will be performed or provide l operations. If the operation re bandonment Notices must be fil inal inspection. equests a flare permit for t tural is performing pipelin yant to go ahead and requ | the Bond No. on file with BLM/BI/ sults in a multiple completion or rec- ed only after all requirements, includ he above well starting on July e maintenance and said the v uest a month in case of unforce | vork should only seen issues. | the filed within 30 days 60-4 must be filed once and the operator has | |
| | | Accept 1 | ed for record AUG MOCD DISTRICT I 8818118AB | 07 2018 I-ARTESIA O.C.D. | |
| 14. I hereby certify that the foregoing is | # Electronic Submission For FASKEN O | 428918 verified by the BLM We IL & RANCH LMITED, sent to t sing by DEBORAH MCKINNEY | he Carlsbad | | |
| Name(Printed/Typed) STEPHAN | | Title REGUL | ATORY ANALYST | | |
| Signature (Electronic Submission) | | Date 07/26/2 | Date 07/26/2018 | | |
| | THIS SPACE FO | OR FEDERAL OR STATE | OFFICE USE | | |
| Approved By /s/ Jonathon S Conditions of approval, if any, are attache certify that the applicant holds legal or eq | d. Approval of this notice does uitable title to those rights in the | Petroleu not warrant or e subjed lease Carlsbad | m Engineer Field Office | AUG_0 1 2018 | |
| which would entitle the applicant to condu- Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent | U.S.C. Section 1212, make it a | crime for any person knowingly and | willfully to make to any department of | or agency of the United | |
| (Instructions on page 2) ** BLM REV | ISED ** BLM REVISEI | D ** BLM REVISED ** BLI | I REVISED ** BLM REVISE | ED ** | |

BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Condition of Approval to Flare Gas

- 1. Approval not to exceed 180 days from date of submission unless otherwise specified in Sundry Notice.
- 2. All flaring under this request is considered to be "avoidably lost": <u>Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08"</u>.

Exceptions:

- a. 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".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.103 3179.105.