

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
New Mexico
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018Case Serial No.
NMNM022534A**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.**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator FASKEN OIL & RANCH LIMITED		7. If Unit or CA/Agreement, Name and/or No. NMNM88510
Contact: ADDISON GUELKER E-Mail: addisong@forl.com		8. Well Name and No. SKELLY FEDERAL 2
3a. Address 6101 HOLIDAY HILL ROAD MIDLAND, TX 79707	3b. Phone No. (include area code) Ph: 432-687-1777	9. API Well No. 30-015-27326-00-S1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 9 T21S R24E SENW		10. Field and Pool or Exploratory Area CEMETARY
		11. County or Parish, State EDDY COUNTY, NM

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.

Fasken Oil and Ranch, Ltd. requests a flare permit for the above well starting 8/22/19, due to Kinder Morgan repairing their pipeline. We hope to get into DCP's pipeline soon, but we would like to go ahead and request 90 days in case it does take longer than expected. Well will be flaring 40 MCFPD.

NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 23 2019

Accepted for record
RECEIVED
NMOCD 9/30/2019

14. I hereby certify that the foregoing is true and correct. Electronic Submission #481586 verified by the BLM Well Information System For FASKEN OIL & RANCH LIMITED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 09/03/2019 (19PP3174SE)	
Name (Printed/Typed) ADDISON GUELKER	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 09/03/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jonathon Shepard</u>	Title <u>PE</u>	Date <u>SEP 11 2019</u>
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 <u>CFO</u>	

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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost" per 43 CFR 3179.4(a)(2)(i – iii). Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free (43 CFR 3179.103(a)). 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, 3179.101 - 3179.104.