UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

5.	Lease Serial No.
	NMNM26692

AU OF LAND MANAGEM ARLSBAD FIELD DFFICE

SUNDRY Do not use thi	BBS Of Mindian,	6692				
abandoned wel		Allottee or Tribe Name				
SUBMIT IN 1	TRIPLICATE - Other inst		-01/	CA/Agreement, Name and/or No.		
Type of Well	8. Well Name HUBER	e and No. 17 FEDERAL 002				
Name of Operator EOG RESOURCES INCORPO	Contact: DRATEDE-Mail: Kay_Madd	KAY MADDOX	9. API Well 30-025-2			
3a. Address PO BOX 2267 MIDLAND, TX 79702		3b. Phone No. (include area code Ph: 432-686-3658				
4. Location of Well (Footage, Sec., T.	, R., M., or Survey Description)	11. County o	or Parish, State		
Sec 17 T18S R33E 1980FSL		LEA CO	UNTY, NM			
12. CHECK THE AF	PPROPRIATE BOX(ES)	TO INDICATE NATURE C	F NOTICE, REPORT, O	OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☐ Acidize	Deepen	☐ Production (Start/Res	sume)		
_	☐ Alter Casing	☐ Hydraulic Fracturing	□ Reclamation	■ Well Integrity		
☐ Subsequent Report	□ Casing Repair	■ New Construction	□ Recomplete	Other		
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	rarily Abandon		
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.						
EOG Resources requests an exception to having a meter installed on the gas flare line. This well produces minimal gas- approx. 6 MCFPD. The well is only flared on an emergency basis. When flared, an estimated volume based on well test will be reported.						
January Production						
3 BOPD		SEE	ATTACHED F	FOR		
6 MCFPD 0 BWPD		CON	NDITIONS OF A	APPROVAL.		
O BWF D						
14. I hereby certify that the foregoing is true and correct. Electronic Submission #370560 verified by the BLM Well Information System For EOG RESOURCES INCORPORATED, sent to the/Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 03/31/2017 ()						
Name (Printed/Typed) KAY MAD	DOX	Title REGUI	_ATORY ANALYST			
Signature (Electronic S	Submission)	Date 03/21/2	AP/PRC	OVED		
	THIS SPACE FO	OR FEDERAL OR STATE	OFFICE USE	1 M		
Approved By		Title	JUL 10	2917/ MAN M		

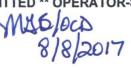
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and villfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office

(Instructions on page 2)

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.

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



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

- 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 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.
 - 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