BU	UNITED STATES PARTMENT OF THE INTE JREAU OF LAND MANAGEN	AENT		FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No.	
Do not use tin	SUNDRY NOTICES AND REPORTS ON WELLSHOCI Do not use this form for proposals to drill or to re-entracted abandoned well. Use form 3160-3 (APD) for such proposals.			5. Lease Serial No. NMLC029405B 6. If Indian, Allottee or Tribe Name	
abandoned wei	1. Use form 3160-3 (APD) fo	or such proposals.			
SUBMIT IN 1	RIPLICATE - Other instruc	tions on page 2	OCD 7.	If Unit or CA/Agree	ement, Name and/or No.
1. Type of Well □ Oil Well □ Gas Well ☑ Oth	er: INJECTION		2017 8.	Well Name and No. RUBY FEDERAL	12
2. Name of Operator CONOCOPHILLIPS COMPAN	IY / E-Mail: rogerrs@conoc		9. 9.	API Well No. 30-025-41008	
3a. Address P. O. BOX 51810 MIDLAND, TX 79710	3b Pt	Phone No. (include area code) 1: 432-688-9174) 10	10. Field and Pool or Exploratory Area MALJAMAR	
4. Location of Well (Footage, Sec., T.	, R., M., or Survey Description)		11	11. County or Parish, State	
Sec 18 T17S R32E Mer NMP	NESW 1330FSL 1705FWL	1		LEA COUNTY, NM	
12. CHECK THE AP	PROPRIATE BOX(ES) TO	INDICATE NATURE O	F NOTICE, RE	EPORT, OR OTH	IER DATA
TYPE OF SUBMISSION		TYPE OI	F ACTION		
Notice of Intent	Acidize	Deepen	Production	(Start/Resume)	□ Water Shut-Off
	□ Alter Casing	Hydraulic Fracturing	C Reclamatio	n	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	□ Temporaril □ Water Disp		ng
ConocoPhillips Company requised because of AKA planned turna Estimated flare 1200 mcf/pd Attached is list of wells	est to flare between Monday around.	SEE ATTA	CHED F		
		CONDITIC	ONS OF A	APPROVA	
14. I hereby certify that the foregoing is Name (Printed/Typed) RHONDA	Electronic Submission #3735 For CONOCOPHI Committed to AFMSS for proc	LLIPS COMPANY, sent to t essing by DEBORAH MCK	the Hobbs INNEY on 04/24/		
Signature (Electronic S	ubmission)	Date 04/21/2		PROVED	X
	THIS SPACE FOR I	EDERAL OR STATE		25 2017 0	
			100	CRX h	MADA
Approved By Conditions of approval, if any, are attached certify that the applicant holds legal or equ			BUREAU OF	LAND VANAGEM BAD FLEUD SEFICE	ENT
which would entitle the applicant to condu Title 18 U.S.C. Section 1001 and Title 43	ct operations thereon. U.S.C. Section 1212, make it a crim-	Office e for any person knowingly and	willfully to make		
States any false, fictitious or fraudulent s (Instructions on page 2)	TOR-SUBMITTED ** OPEI				**
•	M36/0 8/16		GLERATOR		
			1		

Ruby S18 CTB wells	
Well name & number	API#
Ruby Federal 12	30-025-41008
Ruby Federal 22	30-025-41016
Ruby Federal 23	30-025-41196
Ruby Federal 24	30-025-41205
Ruby Federal 31	30-025-41504
Ruby Federal 32	30-025-41207
Ruby Federal 33	30-025-41505
Ruby Federal 34	30-025-41506
Ruby Federal 35	30-025-41197 🗸
Ruby Federal 36	30-025-41206 🗸
Ruby Federal 46	30-025-41508
Ruby Federal 47	30-025-41653
Ruby Federal 48	30-025-41209 🌙

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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 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.

 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.
 - 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).
 - 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