

Additional data for EC transaction #222553 that would not fit on the form

32. Additional remarks, continued

NMNM02887A / JAMES RANCH UNIT 124H / 30-015-38113-00-S1 ✓
NMNM02887A / JAMES RANCH UNIT 79 / 30-015-31056-00-C1 ✓
NMNM02887A / JAMES RANCH UNIT 79B / 30-015-31056-00-C2 ✓
NMNM02952A / JAMES RANCH UNIT 140H / 30-015-39809-00-S1 ✓
NMNM02952A / JAMES RANCH UNIT 141H / 30-015-39972-00-S1 ✓

Flaring is necessary due to pipeline capacity at respective sales points. Possible flaring of approximately 150 MCFD on this agreement number depending on pipeline conditions.

(This sundry is submitted for flaring done Sept-Nov 2012 all volumes reported on monthly production reports. Sundry for Subsequent Report to be filed with total volume)

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

3/6/2014 Approved subject to Conditions of Approval. JDB

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5. Include meter serial number on sundry.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.
9. Submit Subsequent Report to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
10. If flaring is still required past 90 days submit new request for approval.
11. If a portable unit is used to flare gas it must be monitored at all times.
12. Comply with any restrictions or regulations when on State or Fee surface.

JDB