Form 3160-5 , (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

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FORM APPROVED

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| | Expi | res: | July | 31, | 201 | (|
| en Cor | in I Ni | $\overline{}$ | | | | 7 |

| SUNDRY I Do not use this | DREAU OF LAND MANAC NOTICES AND REPOR Seform for proposals to | RTS ON WELLS Art | OCD esia | 5. Lease Serial No. NMNM114970 | July 31, 2010 |
|--|---|---|--|---|---|
| | l. Use form 3160-3 (APE | | | | ement, Name and/or No. |
| 30Bair 114 110F | | | | | |
| Type of Well | er | | , | 8. Well Name and No. SCREECH OWL | |
| 2. Name of Operator COG OPERATING LLC | | | | 9. API Well No. 30-015-42826-0 | DO-S1 |
| 3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701 3b. Phone No. (include area code) Ph: 432-221-0467 | | | 2) | 10. Field and Pool, or BONE SPRING WELCH | |
| 4. Location of Well (Footage, Sec., T. | R., M., or Survey Description) | | | 11. County or Parish, | and State |
| Sec 19 T26S R27E NENW 50I 32.034921 N Lat, 104.232308 | | | | EDDY COUNT | Y, NM |
| 12. CHECK APPR | OPRIATE BOX(ES) TO | INDICATE NATURE OF | NOTICE, R | EPORT, OR OTHE | R DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Notice of Intent | ☐ Acidize | ☐ Deepen | ☐ Product | ion (Start/Resume) | ☐ Water Shut-Off |
| _ | □ Alter Casing | ☐ Fracture Treat | □ Reclam | ation | ☐ Well Integrity |
| ☐ Subsequent Report | □ Casing Repair | ■ New Construction | | | Ø Other |
| ☐ Final Abandonment Notice | Change Plans | ☐ Plug and Abandon ☐ Temporarily Abandon | | arily Abandon | Venting and/or Flaring |
| | □ Convert to Injection | ☐ Plug Back ☐ Water Disposal | | Disposal | ••5 |
| 13. Describe Proposed or Completed Ope If the proposal is to deepen directional Attach the Bond under which the work following completion of the involved testing has been completed. Final Ab- determined that the site is ready for fin | lly or recomplete horizontally, g k will be performed or provide to operations. If the operation resign andonment Notices shall be file. | give subsurface locations and measure the Bond No. on file with BLM/BL ults in a multiple completion or rec | ured and true vo A. Required su ompletion in a (| ertical depths of all pertir bsequent reports shall be new interval, a Form 316 | ent markers and zones. filed within 30 days 0-4 shall be filed once |

COG Operating LLC respectfully request to flare at the Screech Owl Fed CTB

of wells to flare: 2 Screech Owl Fed #2H, 30-015-42826 Screech Owl Fed #4H, 30-015-42828

From 2/7/16 to 5/7/16 BBLS oil/day: 1,500 MCF/day:8,800 Reason: line pressure issues NM OIL CONSERVATION ATTACHED FOR ARTESIA DISTRICT CONDITIONS OF APPROVAL

MAR 29 2016

RECEIVED

| Accepted for record |
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| ACCOUNTS ACCO |
| According for 1900 31-16 |
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| 14. I hereby certify that t | he foregoing is true and correct. Electronic Submission #331748 verifie For COG OPERATING U | .C. ser | sent to the Carlsbad | |
|--|---|-------------------------|---|--|
| Name (Printed/Typed) | Committed to AFMSS for processing by PRI BRIAN MAIORINO | Title | | |
| Signature | (Electronic Submission) | Date | te 02/17/2016 MPPROMIN | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE // // | | | | |
| Approved By | | Title | the MAR 1/8 20/6 | |
| 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 | | | Mice ADISPADI IFID FEICE | |
| Title 18 U.S.C. Section 100 States any false, fictitious | of and Title 43 U.S.C. Section 1212, make it a crime for any per or fraudulent statements or representations as to any matter with | rson kno ithin its j | knowingly and willfully to make to any department or agency of the United its jurisdiction. | |

** BLM REVISED *

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

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. 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.
- 5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.