Form 3160-5 (August 2007)

NMOCD

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Artesia

FORM APPROVED

***************************************	Expires: July 31, 2010
	OMB NO. 1004-0135
	TORWING NO YED

SUNDRY N	OTICES AND	REPORTS O	N WELLS
Do not use this abandoned well.			
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Lease Serial No.
Multiple--See Attached

Do not use the abandoned we	is form for proposals to drill (II. Use form 3160-3 (APD) for	6. If Indian, Allottee	6. If Indian, Allottee or Tribe Name		
✓ SUBMIT IN TRI	PLICATE - Other instructions	on reverse side.	7. If Unit or CA/Agr NMNM133169	cement, Name and/or No.	
L. Type of Well			8, Well Name and No		
☑ Oil Well ☐ Gas Well ☐ Of			MultipleSee Att	acneo	
2. Name of Operator COG OPERATING LLC	Contact: CHAS E-Mail: cjackson@conch	SITY JACKSON o.com	9. API Well No. MultipleSee A	Attached	
3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701		Phone No. (include area code 432-686-3087	to. Field and Pool, of MultipleSee A	10. Field and Pool, or Exploratory MultipleSee Attached	
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description)		11. County or Parish.	, and State	
MultipleSee Attached	•	EDDY COUNTY, NM			
		•		÷	
12. CHECK APPI	ROPRIATE BOX(ES) TO IND	ICATE NATURE OF	NOTICE, REPORT, OR OTHE	ER DATA	
TYPE OF SUBMISSION		TYPE C	F ACTION		
C National Classes	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
■ Notice of Intent	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	■ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	■ New Construction	☐ Recomplete	Other	
☐ Final Abandonment Notice			□ Temporarily Abandon	Venting and/or Flari ng	
•	Convert to Injection	☐ Plug Back ·	☐ Water Disposal		
COG Operating LLC, respectf Number of wells to flare: (5) 500 Oil/Day 800 MCF/Day Requesting 90 day approval fr Wells:	ully requests to flare at the Noo rom 3/26/16 - 6/24/16	se Federal Com #10H	battery. NM OIL CONSEF ARTESIA DISTI		
NOOSE FEDERAL #6H 30-01 NOOSE FEDERAL COM #2H NOOSE FEDERAL COM #9H NOOSE FEDERAL COM #11I NOOSE FEDERAL COM #10I	30-015-41384 30-015-42384 H 30-015-42501	ance. Accepted 1 NMO	APR 1 8 2		
	Electronic Submission #334397	ΓING LLC, sent to the C	arlsbad n 03/29/2016 (16PP0736SE)	•	
Name (Francus Typea) CHASH 1	JACKSON	THIC FALLA	, , , , , , , , , , , , , , , , , , ,		
Signature (Electronic S	ubmission)	Date . 03/22/2	016		
	THIS SPACE FOR FE	DERAL OR STATE	OFFICE USE		
Approved By /S/ DAVI	D R. GLASS	TitleETROLE	UM ENGINEER	DaAPR 0 4 2016	
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu	itable title to those rights in the subject		, , 		
Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. States any false, fictitious or fraudulent s			willfully to make to any department or	agency of the United	

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

Additional data for EC transaction #334397 that would not fit on the form

5. Lease Serial No., continued

NMNM111946 NMNM113927

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM133169	NMNM113927	NOOSE FEDERAL COM 10H	30-015-42500-00-S1	Sec 35 T19S R25E SWSE 170FSL 2550FEL 32.610085 N Lat, 101.454655 W Lon
NMNM133169	NMNM111946	NOOSE FEDERAL 6H	30-015-37163-00-S1	Sec 35 T19S R25E SWSW 330FSL 430FWL
NMNM133169	NMNM113927	NOOSE FEDERAL COM 11H	30-015-42501-00-\$1	Sec 35 T19S R25E SESE 150FSL 1130FEL 32.610048 N Lat. 101.450044 W Lon
NMNM133169	NMNM113927	NOOSE FEDERAL COM 2H	30-015-41384-00-S1	Sec 35 T19S R25E SWSW 150FSL 1040FWL
NMNM133169	NMNM113927	NOOSE FEDERAL COM 9H	30-015-42384-00-\$1	Sec 35 T19S R25E SESW 150FSL 1590FWL 32.610018 N Lat, 104.458377 W Lon

10. Field and Pool, continued

UNKNOWN

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
(575) 234-5972
Venting and/or Flaring
Conditions of Approval

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.

Conditions 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.