

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS Artesia**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.  
NMNM15302

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**7. If Unit or CA/Agreement, Name and/or No.  
NMNM135270

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
CORRAL CANYON FEDERAL 3H2. Name of Operator  
XTO ENERGY INCORPORATEDContact: PATTY R URIAS  
E-Mail: patty\_urias@xtoenergy.com9. API Well No.  
30-015-42922-00-S13a. Address  
500 W ILLINOIS STREET SUITE 100  
MIDLAND, TX 797013b. Phone No. (include area code)  
Ph: 432-620-4318  
Fx: 432-618-353010. Field and Pool, or Exploratory  
WILLOW LAKE-BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 5 T25S R29E SWSE 170FSL 2210FEL  
32.152306 N Lat, 104.004693 W Lon11. County or Parish, and State  
EDDY COUNTY, NM**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Venting and/or Flaring
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CORRAL CANYON TANK BATTERY

ASSOCIATED WELLS:

Corral Canyon Fed 3H, 30-015-42922  
Corral Canyon Fed 4H, 30-015-42923  
Corral Canyon Fed 5H, 30-015-42924  
Corral Canyon Fed 17H, 30-015-42929

Accepted for record

NMOCD

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

The unexpected malfunction of XTO rental compressor caused by mechanical issues has caused emergency intermittent flaring from the Corral Canyon Battery not to exceed 3500 mcf/day. The

NM OIL CONSERVATION  
ARTESIA DISTRICT  
MAY 27 2016

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #339686 verified by the BLM Well Information System  
For XTO ENERGY INCORPORATED, sent to the Carlsbad  
Committed to AFMS for processing by JENNIFER SANCHEZ on 05/19/2016 (16JAS1540SE)

Name (Printed/Typed) PATTY R URIAS

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 05/19/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE MAY 19 2016

Approved By

Title

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.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully 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.

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

**Additional data for EC transaction #339686 that would not fit on the form**

**32. Additional remarks, continued**

volumes flared as a result of this equipment malfunction constitute ?unavoidably lost? production under NTL 4A Section II.C.(2) (??Unavoidably lost? production shall mean?(2) that oil or gas which is lost because of line failures, equipment malfunctions, blowouts, fires, or otherwise??)(emphasis added) and NTL 4A Section III.A. (?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? During temporary emergency situations, such as compressor or other equipment failures??)(emphasis added). For at least this reason,the flared volumes are not royalty bearing under NTL 4A.

sel  
COA

We started flaring 4/1/16 with a mas of 3500 mcfd. Please accept this as notice for APRIL 2016 - JUNE 2016

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.