Form 3160-5 (August 2007)	UNITED STATES EPARTMENT OF THE INTERIO	OR A.	UCD tesia	OMB NC	APPROVED 0. 1004-0135 uly 31, 2010
BUREAU OF LAND MANAGEMENT AFTESIA SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter at ONSERVATIO abandoned well. Use form 3160-3 (APD) for such at the set of th				N5. Lease Serial No. NMNM02860	
				6. If Indian, Allottee or Tribe Name	
				7. If Unit or CA/Agreement, Name and/or No.	
I. Type of Well I. Type of Well Gas Well Of	RECE	RECEIVED 8. Well Name and No. POKER LAKE 049			
2. Name of Operator BASS ENTERPRISES PROD	E J CHERRY	9. API Well No. 30-015-23430-00-S1			
		Phone No. (include area code) 432-683-2277		10. Field and Pool, or Exploratory NASH DRAW-DELAWARE	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				11. County or Parish, and State	
Sec 17 T24S R30E SWNW 1980FNL 990FWL				EDDY COUNTY, NM	
12. CHECK APP	ROPRIATE BOX(ES) TO INDI	CATE NATURE OF N	IOTICE, RI	EPORT, OR OTHEI	RDATA .
TYPE OF SUBMISSION			· · · · · · · · · · · · · · · · · · ·		
Notice of Intent	Acidize] Deepen	Product	ion (Start/Resume)	UWater Shut-Off
Subsequent Report		Fracture Treat	🗖 Reclam	1	U Well Integrity
		New Construction	C Recomp		Other Venting and/or Flari
Final Abandonment Notice	-	Plug and Abandon Plug Back	U Tempor	arily Abandon Disposal	ng
90-days, July - September, 20 Wells producing to this batter POKER LAKE UNIT 049* / 30 POKER LAKE UNIT 208 / 30 POKER LAKE UNIT 210 / 30 POKER LAKE UNIT 207 / 30 POKER LAKE UNIT 212 / 30 POKER LAKE UNIT 214 / 30	y are as follows: 1-015-23430-00-S2	SEE AT	TACH	ED FOR OF APPROV	VAL
POKER LAKE UNIT 216 / 30-015-33861-00-S1 POKER LAKE UNIT 217 / 30-015-33863-00-S1				NMOCD ACT 81316	
	s true and correct. Electronic Submission #341206 v For BASS ENTERPRISES P nmitted to AFMSS for processing b I CHERRY	RODUCTION CO, sent by PRISCILLA PEREZ or	to the Carls	System bad (1607P1411SE) AL/ST	
Signature (Electronic	Submission)	Date 06/06/20	016	APPROX	<u>}</u>
	THIS SPACE FOR FEI	DERAL OR STATE	OFFICE		
Approved By		Title		JUN 2 201	b Date
rtify that the applicant holds legal or eq hich would entitle the applicant to condu		ease Office	A	EAU OF LAND ANNAC	
itle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a crime for statements or representations as to any mathematical statements of the section of the	any person knowingly and atter within its jurisdiction.	willfully to ma	ike to any department or	agency of the United
** BLM REV	ISED ** BLM REVISED ** BL	M REVISED ** BLM	REVISED) ** BLM REVISE(o** //

9 Î.

.

.

.

Additional data for EC transaction #341206 that would not fit on the form

32. Additional remarks, continued

POKER LAKE UNIT 218 / 30-015-33989-00-S1 POKER LAKE UNIT 221 / 30-015-33864-00-S1 POKER LAKE UNIT 222 / 30-015-34123-00-S1 POKER LAKE UNIT 226 / 30-015-34105-00-S1 POKER LAKE UNIT 231 / 30-015-34072-00-S1 POKER LAKE UNIT 237 / 30-015-34364-00-S1 POKER LAKE UNIT 215 / 30-015-33858-00-S1 POKER LAKE UNIT 216 / 30-015-33458-00-S1 POKER LAKE UNIT 260 / 30-015-34463-00-S1 POKER LAKE UNIT 260 / 30-015-34463-00-S1 POKER LAKE UNIT 260 / 30-015-34463-00-S1 POKER LAKE UNIT 219 / 30-015-34463-00-S1 POKER LAKE UNIT 289 / 30-015-35590-00-S1 POKER LAKE UNIT 289 / 30-015-35549-00-S1 POKER LAKE UNIT 295 / 30-015-35549-00-S1 POKER LAKE UNIT 240 / 30-015-35643-00-S1 POKER LAKE UNIT 240 / 30-015-35643-00-S1 POKER LAKE UNIT 290 / 30-015-35628-00-S1 POKER LAKE UNIT 239H / 30-015-35842-00-S1

Estimated amount to flare is 150 MCFD, depending on pipeline conditions. Flaring will be intermittent and is necessary due to restricted pipeline capacity.

Gas is commingled at the flare to reduce the number flare stacks that would be needed for individual well locations.

Gas volumes will be metered prior to flaring, allocated back to each well and reported on monthly production reports

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.
- 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.
- 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.