1970) 1		ugust 2007) UNITED STATES DEPARTMENT OF THE INTERIOR					FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010		
	SUBMIT IN TRIPLICATE - Other instructions on reverse side					5. Lease Serial No. NMNM0543280A			
						6. 1f Indian, Allottee or Tribe Name			
	SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No.			
	1. Type of Well				F.VET 8. Well Name and No. HUDSON FEDERAL 7				
	2. Name of Operator Contact: TRACIE BOPCO LP E-Mail: tjcherry@basspet.cor)0-S1		
	3a, Address P O BOX 2760 MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 432-683-2277			10. Field and Pool, or Exploratory QUAHADA RIDGE				
	4. Location of Well (Footage, Sec., 7			11. County or Parish,	and State				
	Sec 1 T23S R30E SENW 1680FNL 1930FWL					EDDY COUNTY, NM			
	12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA								
	TYPE OF SUBMISSION TYPE OF ACTION						·		
	Notice of Intent	🗖 Acidize	🗖 Deep	en`	Product	tion (Start/Resume)	U Water Shut-Off		
•	Subsequent Report	Alter Casing	-	ure Treat	🗖 Reelam		U Well Integrity		
•		Casing Repair	—	Construction	🗋 Recom		🛛 Other Venting and/or Flari		
	Final Abandonment Notice	Change Plans Convert to Injection		and Abandon Back	U Tempo Water I	rarily Abandon	ng		
	BOPCO, LP respectfully submits this sundry for Notice of Intent to intermittently flare for 90-days, July - September, 2016. Wells producing to this battery are as follows: HUDSON FEDERAL 007*/300153151300S1 HUDSON 1 FEDERAL COM 008H / 30-015-37272-00-S1 HUDSON 1 FEDERAL COM 009H / 30-015-37310-00-S1 HUDSON 1 FEDERAL COM 010H / 30-015-37309-00-S1 HUDSON 1 FEDERAL COM 010H / 30-015-37309-00-S1 HUDSO								
	14. I hereby certify that the foregoing is	true and correct.	- <u></u>			<}/-	1 10 91		
•	Electronic Submission #341201 verified by the BLM Well Information System For BOPCO LP, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 06/09/2016 (16PP1407SE)								
	Name (Printed/Typed) TRACIE J	CHERRY		Title REGULA		ALYST	₹71-#		
	Signature (Electronic S	Date '06/06/20	16	MEENOVAL	× /				
	THIS SPACE FOR FEDERAL OR STATE OFFICE USEJUN 2 7 2016								
	Approved By Conditions of approval, if any, are attached. Approval of this notice does not warran certify that the applicant holds legal or equitable title to those rights in the subject lea			Title		ALSEAD FIELD			
	which would entitle the applicant to conduct operations thereon. Office Office 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 s	tatements or representations as	to any matter with	in its jurisdiction.		ike to any department or a	agency of the United		
	** BLM REVI	SED ** BLM REVISED) ** BLM RE	/ISED ** BLM	REVISED	** BLM REVISED			

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Additional data for EC transaction #341201 that would not fit on the form

32. Additional remarks, continued

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.
- 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.
- 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.