coun 5100-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OIL CONSERVATION
VELARSESTANTSTRICT

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON VELLE STAND OF DO not use this form for proposals to drill or to re-enter an Artesia abandoned well. Use form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on reverse side ECELYED				Lease Serial No. NMNM05039A Hillington and the Name Tribe Name Hillington CA/Agreement, Name and/or No.							
						E. Type of Well ☐ Gas Well ☐ Other				8. Well Name and No. POKER LAKE UNIT CVX JV RR 7H	
						2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com				9. API Well No. 30-015-40762-00-\$1	
3a. Address P O BOX 2760 MIDLAND, TX 79702		3b. Phone No. (include area code Ph: 432-683-2277	b. Phone No. (include area code) Ph: 432-683-2277		10. Field and Pool, or Exploratory CORRAL CANYON						
4. Location of Well (Footage, Sec., T)	<u> </u>	11. County or Parish, a	and State							
Sec 33 T25S R30E NWNW 19 32.093199 N Lat, 103.892629		EDDY COUNT		′, NM							
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE NATURE OF	NOTICE, RI	EPORT, OR OTHE	R DATA						
TYPE OF SUBMISSION	TYPE OF ACTION										
Notice of Intent	☐ Acidize	□ Deepen	☐ Product	on (Start/Resume)	☐ Water Shut-Off.						
_	☐ Alter Casing	☐ Fracture Treat ☐ Reclamation		ation	■ Well Integrity						
☐ Subsequent Report	□ Casing Repair	■ New Construction	☐ Recomplete		Other						
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	☐ Tempor	arily Abandon	Venting and/or Flaring						
	□ Convert to Injection	Plug Back	☐ Water Disposal		,						
90-days, July - September, 20 Well producing to this battery: POKER LAKE UNIT CVX JV F POKER LAKE UNIT CVX JV F POKER LAKE UNIT CVX JV F Estimated amount to flare is 10 intermittent and is necessary of	are as follows: RR 007H* / 30-015-40762 RR 008H / 30-015-40765 RR 009H / 30-015-42054 00 MCFD, depending on tue to restricted pipeline of	SEE CO) pipeline conditions. Flaring w capacity.	NDiTIO	ccepted Fo	r Record						
				NMOC	97158314						
14. I hereby certify that the foregoing is	#Electronic Submission	341190 verified by the BLM We BOPCO LP, sent to the Carlsba essing by PRISCILLA PEREZ o	id /	1							
Name (Printed/Typed) TRACIE J CHERRY		Title REGUL	ATORY AND	Yyst?()VF	_/ -/-						
Signature (Electronic S	<u></u>	Date 06/06/2		HIII - 7 - 2012							
	THIS SPACE FO	R FEDERAL OR STATE	OFFICE US	E Z JOIO	la that						
Approved By		Title	BUT AU	OF LAND MANAGEN	EN Dail						
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu											
Title 18 U.S.C. Section 1001 and Title 43 U States any false, fictitious or fraudulent s			will fully to mal	se to any department or a	gency of the United						
** BLM REVI	SED ** BLM REVISED) ** BLM REVISED ** BLN	1 REVISED	** BLM REVISED	** /						

Additional data for EC transaction #341190 that would not fit on the form

32. Additional remarks, continued

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.
- 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.