

Additional data for EC transaction #340019 that would not fit on the form

5. Lease Serial No., continued

NMNM074939
NMNM2748

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM2748	NMNM2748	GISSLER B 12	30-015-04302-00-S1	Sec 23 T17S R30E NESE 1950FSL 990FEL
NMNM2748	NMNM2748	GISSLER B 100	30-015-41800-00-S1	Sec 23 T17S R30E SWNE 1680FNL 1500FEL 32.822504 N Lat, 103.938371 W Lon
NMNM2748	NMNM2748	GISSLER B 104	30-015-41801-00-S1	Sec 23 T17S R30E NENW 1680FNL 1210FEL 32.822504 N Lat, 103.937427 W Lon
NMNM2748	NMNM2748	GISSLER B 29	30-015-26985-00-S1	Sec 23 T17S R30E SENE 2310FNL 660FEL
NMNM2748	NMNM2748	GISSLER B 30	30-015-27922-00-S1	Sec 23 T17S R30E SWNE 2230FNL 1680FEL
NMNM2748	NMNM2748	GISSLER B 5	30-015-04300-00-S1	Sec 23 T17S R30E NWSE 1980FSL 1980FEL
NMNM074939	NMNM074939	GISSLER B 2	30-015-04308-00-S2	Sec 24 T17S R30E NWNW 660FNL 660FWL
NMNM074939	NMNM074939	GISSLER B 95	30-015-41176-00-S1	Sec 24 T17S R30E NWNW 990FNL 330FWL

10. Field and Pool, continued

LOCO HILLS-GLORIETA-YESO

32. Additional remarks, continued

The following wells are associated with this battery:

GISSLER B 2 #30-015-04308
GISSLER B 5 #30-015-04300
GISSLER B 12 #30-015-04302
GISSLER B 29 #30-015-26985
GISSLER B 30 #30-015-27922
GISSLER B 95 #30-015-41176
GISSLER B 100 #30-015-41800
GISSLER B 104 #30-015-41801

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.