Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB NO. 1004-0135

BUREAU OF LAND MANAGEMENT NMOCD SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter au Artesia abandoned well. Use form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on reverse side.					Expires: July 31, 2010 5. Lease Serial No. NMLC058181		
					7. If Unit or CA/Agreement, Name and/or No.		
					1. Type of Well		
Oil Well ☐ Gas Well ☐ Other 2. Name of Operator Contact: KANICIA CASTILLO					9. API Well No.		
COG OPERATING LLC E-Mail: kcastillo@concho.com					30-015-40208-00-S1		
3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701 3b. Phone N Ph: 432-6			(include area code) -4332	2) 10. Field and Pool, or Exploratory RED LAKE			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, and State		
Sec 25 T17S R27E SWSW 990FSL 180FWL					EDDY COUNTY, NM		
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12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE	NATURE OF I	NOTICE, RE	PORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				· '		
Notice of Intent	☐ Acidize	□ Deep	en	☐ Production (Start/Resume)		☐ Water Shut-Off	
·	☐ Alter Casing	☐ Fracture Treat		☐ Reclama	tion	■ Well Integrity	
☐ Subsequent Report	□ Casing Repair	■ New Construction		☐ Recomplete		Other Venting and/or Flari	
☐ Final Abandonment Notice	. Change Plans	☐ Plug and Abando		☐ Temporarily Abandon		ng	
13. Describe Proposed or Completed Op	☐ Convert to Injection			☐ Water D			
Attach the Bond under which the wo following completion of the involved testing has been completed. Final Aldetermined that the site is ready for from the complete of the com	I operations. If the operation respondenment Notices shall be file inal inspection.) ully request to flare at the incomplete of the incom	olts in a multiple donly after all residence of the constant o	completion or recognizements, included leral #9H Batte ERVATION STRICT SE 2016 C1	ompletion in a nating reclamation Ty. ACCE	ew interval, a Form 316	0-4 shall be filed once and the operator has	
RECEIVED /							
14. I hereby certify that the foregoing is	Flactronic Submission #3	PERATING LLO	C. sent to the Ca	arisbad /	1 /	<u> </u>	
	CASTILLO		Title PREPA				
Signature (Electronic Submission) Date 06/09/2016					#PPRUM		
	THIS SPACE FO	R FEDERA	OR STATE	OFFICE US	F 2 2	016	
		Ī			L . M	V/all/m	
Approved By			Title	<u> </u>	KEAU OF LAND IN	2/- Date	
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	100	CARLSBAD FIEIDY	FICE Y	

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.

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
- 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.