

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

Carlsbad Field Office
OCD Artesia

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator APACHE CORPORATION Contact: ISABEL HUDSON E-Mail: Isabel.Hudson@apachecorp.com	5. Lease Serial No. STATE 8910138010	6. If Individual Lessee or Tribe Name
3a. Address 303 VETERANS AIRPARK LANE SUITE 3000 MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 432.818.1142	7. If Unit or CA/Agreement, Name and/or No. 8910138010	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached	10. Field and Pool, or Exploratory ABO EMPIRE
		11. County or Parish, and State EDDY COUNTY, NM	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Venting and/or Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Apache is requesting an extension to flare gas from the Empire ABO Unit F-30 Satellite effective 09/01/2016 - 11/30/2016. A combined total of approximately 320 mcf/per day will be flared from the wells listed below. Gas will be measured prior to flaring.

- Empire ABO Unit F-30 Satellite
- EAU 400 API# 30-015-39072
- EAU 404 30-015-39054
- EAU 405 30-015-39065
- EAU E-30 30-015-01697
- EAU E-32 30-015-01695
- EAU E-33 30-015-01727
- EAU F-30 30-015-01689

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**
NM OIL CONSERVATION
ARTESIA DISTRICT

SEP 26 2016 *abalanilo*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #34820 received by the BLM Well Information System For APACHE CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 08/23/2016 (16DLM0683SE)

Name (Printed/Typed) ISABEL HUDSON	Title REG ANALYST
Signature (Electronic Submission)	Date 08/17/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>TEUNGKU MUCHLIS KRUENG</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>09/08/2016</u>
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 <u>Carlsbad</u>

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.

Additional data for EC transaction #348220 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM70945X	STATE	EMPIRE ABO UNIT 400	30-015-39072-00-S1	Sec 33 T17S R28E SWNE 2590FNL 2495FEL
NMNM70945X	STATE	EMPIRE ABO F 30	30-015-01689-00-S1	Sec 33 T17S R28E SENW 1980FNL 1980FWL
NMNM70945X	STATE	EMPIRE ABO E 32	30-015-01695-00-S1	Sec 33 T17S R28E NENE 990FNL 660FEL
NMNM70945X	STATE	EMPIRE ABO E 30	30-015-01697-00-S1	Sec 33 T17S R28E NENW 990FNL 1980FWL
NMNM70945X	STATE	EMPIRE ABO E 33	30-015-01727-00-S1	Sec 34 T17S R28E NWNW 975FNL 660FWL
NMNM70945X	STATE	EMPIRE ABO G 331	30-015-21784-00-S1	Sec 34 T17S R28E NWSW 1580FSL 1140FWL
NMNM70945X	STATE	EMPIRE ABO G 341	30-015-21797-00-S1	Sec 34 T17S R28E NESW 1850FSL 2591FWL
NMNM70945X	STATE	EMPIRE ABO F 332	30-015-21962-00-S1	Sec 34 T17S R28E SWNW 2582FNL 150FWL
NMNM70945X	STATE	EMPIRE ABO G 322	30-015-22525-00-S1	Sec 33 T17S R28E NESE 2350FSL 1100FEL
NMNM70945X	STATE	EMPIRE ABO F 322	30-015-22594-00-S1	Sec 33 T17S R28E SENE 2480FNL 500FEL
NMNM70945X	STATE	EMPIRE ABO G 333	30-015-22631-00-S1	Sec 34 T17S R28E NWSW 2100FSL 1100FWL
NMNM70945X	STATE	EMPIRE ABO G 291	30-015-22864-00-S1	Sec 33 T17S R28E NWSW 2000FSL 1200FWL
NMNM70945X	STATE	EMPIRE ABO UNIT 404	30-015-39054-00-S1	Sec 33 T17S R28E SWNE 1445FNL 1320FEL
NMNM70945X	STATE	EMPIRE ABO UNIT 405	30-015-39065-00-S1	Sec 33 T17S R28E NWNE 1210FNL 2500FEL

32. Additional remarks, continued

EAU F-322	30-015-22594
EAU F-332	30-015-21962
EAU G-291	30-015-22864
EAU G-322	30-015-22525
EAU G-331	30-015-21784
EAU G-333	30-015-22631
EAU G-341	30-015-21797

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Apache Corp
Empire Abo Unit 400 and others
NMLC 065478B
09/09/2016

Pursuant to **NTL-4A III**, Lessees or operators are hereby authorized to vent or flare gas on a short-term basis without incurring a royalty obligation in the following circumstances:

- A. Emergencies. During temporary emergency situations, such as compressor or other equipment failures, relief of abnormal system pressures, or other conditions which result in the unavoidable short-term venting or flaring of gas. However, this authorization to vent or flare gas in such circumstances without incurring a royalty obligation is limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month, except with the prior authorization, approval, ratification, or acceptance of the Supervisor.
- B. Well Purging and Evaluation Tests. During the unloading or cleaning up of a well during drillstem, producing, routine purging, or evaluation tests, not exceeding a period of 24 hours.
- C. Initial Production Tests. During initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first, unless a longer test period has been authorized by the appropriate State regulatory agency and ratified or accepted by the Supervisor.
- D. Routine or Special Well Tests. During routine or special well tests, other than those cited in NTL-4A III.B and C above, only after approval by the Supervisor.

If a flaring event conforms with the requirements listed above as per NTL-4A III., the flared volumes are not royalty bearing and the operator does not need to submit a Sundry Notice. Report flared volumes as unavoidably lost on OGOR B.

Condition of Approval to Flare Gas

1. The first 24 hours of a temporary emergency flare* is considered "unavoidably lost" and is therefore royalty free. Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). NTL-4A specifies no more than 24 hours per incident and no more 144 hours cumulative for the lease during any calendar month. These Volumes are not royalty bearing and shall be reported on OGOR "B" as disposition code "23".
2. Flared volumes considered to be "avoidably lost":
 - Exceeding the first 24 hours for each temporary emergency flare event (144 hours cumulative for the lease per month), well purging and evaluation test.
 - During initial well evaluation tests, exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first
 - Scheduled flaring operations

These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in NTL-4A are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with NTL-4A.IV.B.. Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08". If the operator believes that the flared volumes were "unavoidably lost" and the BLM determines them to be "avoidably lost", the operator can submit a more detailed request via Sundry Notice (Form 3160-5) for an exception in accordance with NTL-4A.IV.B.. As an alternative to producing oil and flaring gas the operator may choose to shut the well in and avoid paying royalties on otherwise avoidably lost gas.

3. Approval not to exceed 90 days,(from 09/01/2016 to 11/30/2016), if flaring is still required past 90 days submit new request for approval.
4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a Sundry Notice (Form 3160-5). Include method for volume determination and duration. Report unavoidably lost (first 24 hrs of unexpected event) and avoidably lost (exceeding the first 24 hrs or flared gas that has been approved as avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.
5. In determining the volumes of gas to be reported in accordance with NTL-4A the BLM CFO requires 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 Notice (Form 3160-5).
 - If installation of an approved gas meter is not economically feasible for continued operations. Submit Notice of Intent - Sundry Notice (Form 3160-5) to request an alternate method of determining gas volumes with a valid justification. Alternate methods are listed in NTL-4A. The Authorized Officer may require the installation of additional measurement equipment whenever it is determined that the present methods are inadequate to meet the purposes of this Notice.
6. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
7. This approval does not authorize any additional surface disturbance.
8. Subject to like approval from NMOCD

Regulations and Definitions

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.

NTL-4A.IV.B. Oil Well Gas. Except as provided in II.C and III above, oil well gas may not be vented or flared unless approved in writing by the Supervisor. The Supervisor may approve an application for the venting or flaring of oil well gas if justified either by the submittal of (1) an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the Supervisor that the expenditures necessary to market or beneficially use such gas are not economically justified and that conservation of the gas, if required, would lead to the premature abandonment of recoverable oil reserves and ultimately to a greater loss of equivalent energy than would be recovered if the venting or flaring were permitted to continue or (2) an action plan that will eliminate venting or flaring of the gas within 1 year from the date of application.

*Temporary Emergency Flaring is defined as an unexpected situation requiring immediate action. A flaring event is considered an emergency if the occurrence is out of the operators control and the operator had less than 24 hrs notification of the event. Scheduled or routine flare events will not be considered an emergency.