

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.

OCD Artesia

5. Lease Serial No.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 27. If Unit or CA/Agreement, Name and/or No.
8910138010

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
Multiple--See Attached2. Name of Operator
APACHE CORPORATIONContact: EMILY FOLLIS
E-Mail: Emily.Follis@apachecorp.com9. API Well No.
Multiple--See Attached3a. Address
303 VETERANS AIRPARK LANE SUITE 3000
MIDLAND, TX 797053b. Phone No. (include area code)
Ph: 432-818-180110. Field and Pool or Exploratory Area
ABO
EMPIRE-ABO4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple--See Attached11. County or Parish, State
EDDY COUNTY, NM**12. CHECK THE 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"/> Hydraulic Fracturing | <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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Venting and/or Flaring |
| | <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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 D-40 Federal Battery effective 04/30/17 - 07/30/2017. A combined total of approximately 500 mcf per day will be flared from the wells listed below. Gas will be measured prior to flaring.

30-015-01534 EMPIRE ABO UNIT #42
30-015-01536 EMPIRE ABO UNIT #41A
30-015-01538 EMPIRE ABO UNIT #43
30-015-01550 EMPIRE ABO UNIT #38
30-015-01557 EMPIRE ABO UNIT #37A
30-015-01551 EMPIRE ABO UNIT #37
30-015-01736 EMPIRE ABO UNIT #38B
30-015-01552 EMPIRE ABO UNIT #39

NM OIL CONSERVATION
ARTESIA DISTRICT

30-015-01555

JUL 12 2017

SEE ATTACHED FOR
CONDITIONS OF APPROVALAB 11/13/17
RECEIVED

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

Electronic Submission #371960 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/04/2017 (17DLM1299SE)

Name (Printed/Typed) EMILY FOLLIS

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 04/03/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By OMAR ALOMAR

Title PETROLEUM ENGINEER

Date 07/07/2017

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 Carlsbad

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #371960 that would not fit on the form

5. Lease Serial No., continued

NMLC062407
STATE

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|------------|------------|-----------------------|--------------------|---------------------------------------|
| NMNM70945X | STATE | EMPIRE ABO C 42 | 30-015-01534-00-S1 | Sec 25 T17S R28E NESW 1650FSL 2310FWL |
| NMNM70945X | STATE | EMPIRE ABO C 37 | 30-015-01557-00-S1 | Sec 26 T17S R28E NWSW 1650FSL 990FWL |
| NMNM70945X | STATE | EMPIRE ABO C 39 | 30-015-01554-00-S1 | Sec 26 T17S R28E NWSE 1650FSL 1980FEL |
| NMNM70945X | STATE | EMPIRE ABO C 40 | 30-015-01556-00-S1 | Sec 26 T17S R28E NESE 1650FSL 660FEL |
| NMNM70945X | STATE | EMPIRE ABO C 41 | 30-015-01536-00-S1 | Sec 25 T17S R28E NWSW 1650FSL 660FWL |
| NMNM70945X | STATE | EMPIRE ABO C 43 | 30-015-01538-00-S1 | Sec 25 T17S R28E NWSE 1650FSL 1980FEL |
| NMNM70945X | STATE | EMPIRE ABO C 46 | 30-015-03194-00-S1 | Sec 30 T17S R29E NESW 2314FSL 1256FWL |
| NMNM70945X | NMLC062407 | EMPIRE ABO C 47 | 30-015-03193-00-S1 | Sec 30 T17S R29E NWSE 2150FSL 2310FEL |
| NMNM70945X | NMLC062407 | EMPIRE ABO C 48 | 30-015-03192-00-S1 | Sec 30 T17S R29E NESE 1980FSL 990FEL |
| NMNM70945X | STATE | EMPIRE ABO D 37 | 30-015-01551-00-S1 | Sec 26 T17S R28E SWSW 500FSL 820FWL |
| NMNM70945X | STATE | EMPIRE ABO D 38 | 30-015-01550-00-S1 | Sec 26 T17S R28E SESW 330FSL 2310FWL |
| NMNM70945X | STATE | EMPIRE ABO D 39 | 30-015-01552-00-S1 | Sec 26 T17S R28E SWSE 330FSL 1980FEL |
| NMNM70945X | STATE | EMPIRE ABO D 40 | 30-015-01555-00-S1 | Sec 26 T17S R28E SESE 660FSL 660FEL |
| NMNM70945X | STATE | EMPIRE ABO E 363 | 30-015-22804-00-S1 | Sec 34 T17S R28E NENE 650FNL 120FEL |
| NMNM70945X | STATE | EMPIRE ABO E 372 | 30-015-22203-00-S1 | Sec 35 T17S R28E NWNW 100FNL 1291FWL |
| NMNM70945X | STATE | EMPIRE ABO E 38 | 30-015-01736-00-S1 | Sec 35 T17S R28E NENW 660FNL 1980FWL |
| NMNM70945X | STATE | EMPIRE ABO E 382 | 30-015-21822-00-S1 | Sec 35 T17S R28E NENW 1175FNL 1316FWL |
| NMNM70945X | STATE | EMPIRE ABO E 384 | 30-015-22766-00-S1 | Sec 35 T17S R28E NENW 660FNL 1400FWL |
| NMNM70945X | STATE | EMPIRE ABO E 391 | 30-015-21826-00-S1 | Sec 35 T17S R28E NWNE 135FNL 2567FEL |
| NMNM70945X | STATE | EMPIRE ABO E 393 | 30-015-22819-00-S1 | Sec 35 T17S R28E NWNE 135FNL 2567FEL |
| NMNM70945X | STATE | EMPIRE ABO E 395 | 30-015-22843-00-S1 | Sec 35 T17S R28E NWNE 75FNL 1820FEL |
| NMNM70945X | STATE | EMPIRE ABO F 373 | 30-015-22805-00-S1 | Sec 35 T17S R28E SWNW 1820FNL 150FWL |
| NMNM70945X | STATE | EMPIRE ABO F 375 | 30-015-22772-00-S1 | Sec 35 T17S R28E SWNW 1780FNL 1175FWL |
| NMNM70945X | STATE | EMPIRE ABO F 376 | 30-015-22786-00-S1 | Sec 35 T17S R28E SWNW 1335FNL 700FWL |
| NMNM70945X | STATE | EMPIRE ABO F 382 | 30-015-22776-00-S1 | Sec 35 T17S R28E SENW 2400FNL 1600FWL |
| NMNM70945X | STATE | EMPIRE ABO F 383 | 30-015-22806-00-S1 | Sec 35 T17S R28E SENW 1600FNL 2350FWL |
| NMNM70945X | STATE | EMPIRE ABO UNIT 420 | 30-015-39012-00-S1 | Sec 26 T17S R28E SESW 960FSL 1570FWL |

32. Additional remarks, continued

30-015-01554 EMPIRE ABO UNIT #39A
 30-015-01555 EMPIRE ABO UNIT #40
 30-015-01556 EMPIRE ABO UNIT #40A
 30-015-03194 EMPIRE ABO UNIT #46A
 30-015-03193 EMPIRE ABO UNIT #47
 30-015-03192 EMPIRE ABO UNIT #48
 30-015-22804 EMPIRE ABO UNIT #363
 30-015-22203 EMPIRE ABO UNIT #372
 30-015-22805 EMPIRE ABO UNIT #373
 30-015-22772 EMPIRE ABO UNIT #375
 30-015-22786 EMPIRE ABO UNIT #376
 30-015-21822 EMPIRE ABO UNIT #382
 30-015-22776 EMPIRE ABO UNIT #382
 30-015-22766 EMPIRE ABO UNIT #384
 30-015-22806 EMPIRE ABO UNIT #383A
 30-015-21826 EMPIRE ABO UNIT #391
 30-015-22911 EMPIRE ABO UNIT #391A
 30-015-22819 EMPIRE ABO UNIT #393
 30-015-22843 EMPIRE ABO UNIT #395
 30-015-39012 EMPIRE ABO UNIT #420

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

APACHE CORPORATION
EMPIRE ABO UNIT
MULTIPLE WELLS
NMLC065478B

07/07/2017

Pursuant to, 43 CFR 3179

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. 43 CFR 3179.105 **Emergencies** (a) An operator may flare or, if flaring is not feasible given the emergency, vent gas royalty-free under §3179.4 (a) (vi) of this subpart during an emergency. For purposes of this subpart, an "emergency" is a temporary, infrequent and unavoidable situation in which the loss of gas or oil is uncontrollable or necessary to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment. For purposes of royalty assessment, an "emergency" is limited to a short-term situation of 24 hours or less (unless the BLM agrees that the emergency conditions necessitating venting or flaring extend for a longer period) caused by an unanticipated event or failure that is out of the operator's control and was not due to operator negligence.
- B. 43 CFR 3179.4 **Determining when the loss of oil or gas is avoidable or unavoidable.**
(2) *Avoidably lost oil or gas* means: Lost oil or gas that is not "unavoidably lost," as defined in paragraph (a) of this section; waste oil that became waste oil through operator negligence; and, any "excess flared gas," as defined in §3179.7.
- C. 43 CFR 3179.5 **When lost production is subject to royalty.**
(a) Royalty is due on all avoidably lost oil or gas.
(b) Royalty is not due on any unavoidably lost oil or gas.

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). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- 2. Flared volumes considered to be "avoidably lost":
These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in 43 CFR 3179.7 are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with 43 CFR 3179. 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 43 CFR 3179.4, 3179.103 - 3179.105. 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 04/30/2017 to 07/30/2017), if flaring is still required past 60 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, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
6. The operator must estimate or measure all volumes of gas vented or flared gas by one of the following methods.
 - i. Measure the flare gas by a meter. The meter shall meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175. Include meter serial number on Sundry Notice (Form 3160-5).
 - ii. Calculate the volume of the flared gas based on the results of a regularly performed GOR test and measured values for the volumes of oil production and gas sales, so as to allow BLM to independently verify the volume, rate, and heating value of the gas flared.

Regulation Ref: Link to 43 CFR 3179 **Waste Prevention and Resources Conservation**;
<https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43.2.3170.3179&r=SUBPART>