#### **NM OIL CONSERVATION**

ARTESIA DISTRICT

District I 1625 N French Dr., Hobbs, NM 88240 District II 811 S First St., Artesia, NM 88210 District III
1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S St. Francis Dr., Santa Fe, NM 87505 State of New Mexico Energy Minerals and Natural Resources JUL 1 4 2017 Form C-129 Revised August 1, 2011 Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit one copy to appropriate

[VED District Office RECEIVED

NFO Permit No. \_\_\_\_

(For Division Use Only)

### **APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12**

		C and Rule 19.13.7.37 (NVIAC)						
A.	Applicant Apache Corporation							
	whose address is 1945 Bluestern Road, Artesia, NM 88210							
		18.12 fordays or until						
	OCT 13 , Yr 2017 ,	for the following described tank battery (or LACT):						
	Name of Lease Empire Abo Unit F-30	Name of Pool Yeso						
	Location of Battery: Unit Letter	Section 33 Township 17S Range 28E						
	Number of wells producing into battery	15						
В.		BBLbarrels per day, the estimated * volume						
	of gas to be flared is170 mcf	_MCF; Valueper day.						
C.	Name and location of nearest gas gathering the Artesia DCP	facility:						
D.	DistanceEstimated c	cost of connection						
E.	This exception is requested for the following reasons: This is for an extension to the							
	previous one that will expire JULY 13	3, 2017						
	METER # F127							
		30-015-39072						
	that the rules and regulations of the Oil Conservation	OIL CONSERVATION DIVISION						
	peen complied with and that the information given above plete to the best of my knowledge and belief.	Approved Until <u>0C+</u> : 13, 2017						
Ze	pul fellis	By Amaha Existemente						
	e /	Title Business Op. Sp.						
	Emily Follis - Regulatory Analyst	Title algaless of of						
Name Addre	emily follis@anachecom.com	Date 7/14/17						

Gas-Oil ratio test may be required to verify estimated gas volume.

### NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 811 SOUTH FIRST STREET ARTESIA, NM 88210 (575)748-1283

#### CONDITIONS OF APPROVAL for FLARING or VENTING GAS

- 1. Venting gas is absolutely not allowed.
- **2.** Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
- **3.** Flared volumes of gas are to be metered & reported.
- **4.** Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
- 5. Flares WILL NOT be left unattended.
- **6.** No flaring operations to be conducted during red-flag days. <a href="http://www.gacc.nifc.gov/swcc">http://www.gacc.nifc.gov/swcc</a> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
- 7. Follow safe practices for flaring guidelines.
- **8.** Permit may be rescinded at any time by NMOCD.
- **9.** If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
- 10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
- 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.
- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here

DATE: 7/14/17

# State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David Catanach
Division Director
Oil Conservation Division



FOR IMMEDIATE RELEASE

Contact: Jim Winchester (505)231-8800 E-Mail: jim.winchester@state.nm.us

## Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 460 fires have burned 25,475 acres on state and private land in calendar year 2012.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures could also be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to <a href="https://www.nmforestry.com">www.nmforestry.com</a> for updates or call your local district office.

New Mexico State Forestry offers the following guidelines for establishing effective defensible space:

- Create a "Lean, Clean and Green" firebreak area by removing flammable vegetation and growth
  within 30 feet of each structure. Single trees and shrubs may be retained if they are well
  spaced, pruned and placed so they avoid the spread of fire. Maintain an irrigation system for
  any vegetation near structures.
- · Keep grass and weeds mowed.
- Prune lower tree limbs to at least 6 feet up to 15 feet (or lower 1/3 of branches on smaller trees).
- Remove vegetation and debris around propane tanks.

For the latest fire weather information please visit USDA Forest Service website: <a href="http://activefiremaps.fs.fed.us/current.php">http://activefiremaps.fs.fed.us/current.php</a>

###

The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

# State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director Oil Conservation Division



#### **NOTICE TO OPERATORS**

The Oil Conservation Division ("OCD") has been tasked to study flaring and develop a gas capture plan by the end of the year with the ultimate goal to reduce natural gas emissions.

Current OCD reporting has no specific method to differentiate flared and vented volumes reported on C-115 reports. This prevents the OCD from having quantifiable flaring data per Rule 19.15.18.12.F NMAC.

Therefore, to collect flaring volumes and differentiate actual vented volumes going forward, NMOCD will implement a new "Non-Transported Disposition" Code (for gas) to be reported on the C-115 reports. The new code will be "F" for Flared. The new code "F" is to be used to report the volume of gas that is flared on a well basis, or total volume if flared at a common battery or gathering system and reported under one point of disposition. Operators must report vented and flared volumes separately to their respective "Non Transported Disposition" code ("V" for vented and "F" for flared).

The change will become effective for the November 2015 production month with reporting due by January 15, 2016.

The NMOCD will be conducting operator outreach training sessions in the Southeast and Northwest to provide information and answer questions regarding the process.

Meeting notices will be posted on NMOCD website at: <a href="http://www.emnrd.state.nm.us/OCD/announcements.html">http://www.emnrd.state.nm.us/OCD/announcements.html</a>

The C-115 instructions are available on NMOCD website at: <a href="http://www.emnrd.state.nm.us/OCD/documents/eC115">http://www.emnrd.state.nm.us/OCD/documents/eC115</a> FullInstructions.pdf

#### RULES

#### 19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.

#### 19.15.18.12 CASINGHEAD GAS:

F. Pending connection of a well to a gas-gathering facility, or when a well has been excepted from the provisions of Subsection A of 19.15.18.12 NMAC, the operator shall burn all gas produced and not used, and report the estimated volume on form C-115.

Thank you for your assistance in this matter. If you have any questions please contact the appropriate OCD District Office.

Sincerely,

David R. Catanach

Director, Oil Conservation Division

# NM OIL CONSERVATION

ARTESIA DISTRICT

		11 m 1	4	
Submit I Copy To Appropriate District	State of New M	lexico JUL 1	4 2017	Form C-103
Office <u>District I</u> (575) 393-6161	Energy, Minerals and Nat	tural Resources		Revised July 18, 2013
1625 N. French Dr., Hobbs, NM 88240	<del></del> -	RECE	TWELL API NO. 30-015-39072 - MULT	
<u>District II</u> (575) 748-1283 811 S. First St., Artesia, NM 88210	OIL CONSERVATION	N DIVISION	5. Indicate Type of L	
<u>District III</u> = (505) 334-6178 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Fra		STATE 7	FEE 🗆
District IV - (505) 476-3460	Santa Fe, NM 8	37505	6. State Oil & Gas Lo	
1220 S. St. Francis Dr , Santa Fe, NM 87505			8910138010	
<b>*************************************</b>	ICES AND REPORTS ON WELL	S	7. Lease Name or Ur	it Agreement Name
	OSALS TO DRILL OR TO DEEPEN OR P			
PROPOSALS.)	ICATION FOR PERMIT" (FORM C-101) I	FOR SUCH		
1. Type of Well: Oil Well	Gas Well 🔲 Other		8. Well Number MU	LTI
2. Name of Operator Apache Corporation			9. OGRID Number 873	
3. Address of Operator			10. Pool name or Wi	ldcat
303 Veterans Airpark Lane, Suite 1	000 Midland, TX 79705		ABO -EMPIRE-ABO	lucai
4. Well Location				
Unit Letter	2590 feet from the NORTH	line and 249	5feet from th	e EAST line
Section 33		Range 28E		ounty EDDY
	11. Elevation (Show whether Di			
12. Check	Appropriate Box to Indicate l	Nature of Notice,	Report or Other Da	ta
NOTICE OF I	NTENTION TO:	l SUB	SEQUENT REPO	RT OF
PERFORM REMEDIAL WORK		REMEDIAL WOR		TERING CASING
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRI	LLING OPNS. P	AND A
PULL OR ALTER CASING	_	CASING/CEMEN	T JOB	
DOWNHOLE COMMINGLE				
CLOSED-LOOP SYSTEM  OTHER: FLARE	। [रो	OTHER:		П
	pleted operations. (Clearly state all		d give pertinent dates, in	ncluding estimated date
	ork). SEE RULE 19.15.7.14 NMA			
proposed completion or re	completion.			
Apache completed the following work				
Apache is requesting an extension to of approximately 170mcf/per day will	<ul> <li>flare gas from the Empire ABO Unit he flared from the wells listed below</li> </ul>	it F-30 Satellite effect v. Gas will be measu	ive 07/13 /17 THRU 10/ red prior to flating	13/2017. A combined total
or approximatory Transcriper day trin	and the state of t	7. Ods 77111 DC 11102301	ed prior to naring	
Empire ABO Unit F-30 Satellite MET				
EAU 400 API# 30-015-39072 EAU 4 EAU E-30 30-015-01697 EAU I		30-015-39065 30-015-01727	EAU F-30 30-015-0168	à
			EAU G-322 30-015-225	=
EAU G-331 30-015-21784 EAU	G-333 30-015-22631 EAU G-34	1 30-015-21797		
	***************************************	-		
Spud Date:	Rig Release D	)ate:		
L		<u></u>		
I hereby certify that the information	ahove is true and complete to the	best of my knowledge	e and belief.	
	) \( \rangle_a \)			
SIGNATURE / MM	Wellis TITLE Reg A	nalyst	DATE	07/13/17
Type or print name Emily Felis	E-mail addre	ss: Emily follis@apach	ecorp.com PHON	E: (432) 818-1801
For State Use Only	1			
APPROVED BY: A DWSTA	mante TITLE		DATE	7/14/17
Conditions of Approval (if any):	11166		<b>ν</b> νι <b>Ε</b> _	

Form 3160-5 (June 2015)

#### UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesla

FORM APPROVED OMB NO. 1004-0137 expires: January 31, 2018

Expires: January 3	
Lease Serial No. STATE	

	<b>5</b> U	אטא	NY	UIIL	·E2	ANU	KE	U	K13	UN	AAETF2	
Do	not	use	this	form	for	propo	sals	to	drill	or to	re-enter	r an

abandoned wel	6. If Indian, Allotto	6. If Indian, Allottee or Tribe Name				
SUBMIT IN 1	7. If Unit or CA/A 8910138010	7. If Unit or CA/Agreement, Name and/or No. 8910138010				
Type of Well     ☐ Gas Well ☐ Oth	8. Well Name and MultipleSee	8. Well Name and No. MultipleSee Attached				
Name of Operator     APACHE CORPORATION	Contact: EMIL` E-Mail: Emily.Follis@apa		9. API Well No. MultipleSee	API Well No.     MultipleSee Attached		
3a. Address 303 VETERANS AIRPARK LA MIDLAND, TX 79705		Phone No. (include area code) 432-818-1801				
4. Location of Well (Footage, Sec., T.	, R., M., or Survey Description)		11. County or Pari			
MultipleSee Attached			EDDY COUN	EDDY COUNTY, NM		
12. CHECK THE AF	PPROPRIATE BOX(ES) TO I	NDICATE NATURE OF	F NOTICE, REPORT, OR C	OTHER DATA		
TYPE OF SUBMISSION		TYPE OF	ACTION			
Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	Water Shut-Off		
_	☐ Alter Casing	☐ Hydraulic Fracturing	□ Reclamation	■ Well Integrity		
☐ Subsequent Report	Casing Repair	■ New Construction	☐ Recomplete	Other		
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	□ Temporarily Abandon	Venting and/or Flari		
	☐ Convert to Injection	☐ Plug Back	■ Water Disposal	•		
If the proposal is to deepen directionally or recomplete 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 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 F-30 Satellite effective 04/30/17 - 07/30/2017. 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 400 API# 30-015-39054 EAU 403 30-015-39055 SEE ATTACHED FOR CONDITIONS OF APPROVAL  SEE ATTACHED FOR CONDITIONS OF APPROVAL  ARTESIA DISTRICT  JUL 12 2017  LONG SERVATION  ARTESIA DISTRIC						
14. I hereby certify that the foregoing is true and correct.  Electronic Submission #371962 verified by the BLM Well Information System  For APACHE CORPORATION, sent to the Carlsbad						
Comm	on 04/04/2017 (17DLM1300SE)					
Name (Printed/Typed) EMILY FC	DLLIS	Title REGUL	ATORY ANALYST			
Signature (Electronic S	Submission)	Date 04/03/20	017			
	THIS SPACE FOR FE	DERAL OR STATE (	OFFICE USE			
Approved By OMAR ALOMAR	d. Approval of this nation does not we		UM ENGINEER	Date 07/07/2017		
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu-	itable title to those rights in the subject					
Fitle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s			willfully to make to any departmen	nt or agency of the United		

#### Additional data for EC transaction #371962 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 E 30	30-015-01697-00-S1	Sec 33 T17S R28E NENW 990FNL 1980FWL
NMNM70945X	STATE	EMPIRE ABO E 32	30-015-01695-00-S1	Sec 33 T17S R28E NENE 990FNL 660FEL
NMNM70945X	STATE	EMPIRE ABO E 33	30-015-01727-00-S1	Sec 34 T17S R28E NWNW 975FNL 660FWL
NMNM70945X	STATE	EMPIRE ABO F 30	30-015-01689-00-S1	Sec 33 T17S R28E SENW 1980FNL 1980FWL
NMNM70945X	STATE	EMPIRE ABO F 322	30-015-22594-00-S1	Sec 33 T17S R28E SENE 2480FNL 500FEL
NMNM70945X	STATE	EMPIRE ABO F 332	30-015-21962-00-S1	Sec 34 T17S R28E SWNW 2582FNL 150FWL
NMNM70945X	STATE	EMPIRE ABO G 291	30-015-22864-00-S1	Sec 33 T17S R28E NWSW 2000FSL 1200FWL
NMNM70945X	STATE	EMPIRE ABO G 322	30-015-22525-00-S1	Sec 33 T17S R28E NESE 2350FSL 1100FEL
NMNM70945X	STATE	EMPIRE ABO G 331	30-015-21784-00-S1	Sec 34 T17S R28E NWSW 1580FSL 1140FWL
NMNM70945X	STATE	EMPIRE ABO G 333	30-015-22631-00-S1	Sec 34 T17S R28E NWSW 2100FSL 1100FWL
NMNM70945X	STATE	EMPIRE ABO G 341	30-015-21797-00-S1	Sec 34 T17S R28E NESW 1850FSL 2591FWL
NMNM70945X	STATE	EMPIRE ABO UNIT 404	30-015-39054-00-\$1	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 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 <u>without incurring a</u> 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 <u>temporary emergency flare</u> 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**; <a href="https://www.ecfr.gov/cgi-">https://www.ecfr.gov/cgi-</a>

 $\frac{bin/retrieveECFR?gp=1\&SID=dbd49eda8cdc488870172ed096d47be9\&ty=HTML\&h=L\&mc=true}{\&n=sp43.2.3170.3179\&r=SUBPART}$