

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM 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.*5. Lease Serial No.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached8. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool or Exploratory Area
Multiple--See Attached11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
APACHE CORPORATIONContact: EMILY FOLLIS
E-Mail: Emily.Follis@apachecorp.com3a. Address
303 VETERANS AIRPARK LANE SUITE 3000
MIDLAND, TX 797053b. Phone No. (include area code)
Ph: 432-818-18014. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple--See Attached

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 recomple 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 recomple 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 permission to temporarily Flare 2.0 M mcf for 90 days 04/30/17- 07/30/17 on the wells listed below due to Frontier not being able to take gas at the new battery. Gas will be measured prior to flaring.

AAO FEDERAL #014 30-015-42024
AAO FEDERAL #015 30-015-42025
AAO FEDERAL #016 30-015-42026
AAO FEDERAL #017 30-015-42027
AAO FEDERAL #018 30-015-42035
AAO FEDERAL #019 30-015-42051
AAO FEDERAL #020 30-015-42036
AAO FEDERAL #021 30-015-42334

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 17 2017
RECEIVED

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

Electronic Submission #371942 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 (17DLM1295SE)

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 #371942 that would not fit on the form

5. Lease Serial No., continued

NMLC062412
NMNM0557371

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM0557371	NMNM0557371	AAO FEDERAL SWD 1	30-015-42549-00-X1	Sec 1 T18S R27E SWNE 2470FNL 2380FEL 32.776548 N Lat, 104.231257 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 14	30-015-42024-00-S1	Sec 1 T18S R27E Lot 1 126FNL 141FEL 32.782864 N Lat, 104.224016 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 15	30-015-42025-00-S1	Sec 1 T18S R27E NWNE 1130FNL 2408FEL 32.780180 N Lat, 104.231428 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 16	30-015-42026-00-S1	Sec 1 T18S R27E NENW 1305FNL 2455FWL 32.779712 N Lat, 104.232720 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 17	30-015-42027-00-S1	Sec 1 T18S R27E SENE 1650FNL 865FEL 32.778699 N Lat, 104.226385 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 18	30-015-42035-00-S1	Sec 1 T18S R27E NWNE 2400FNL 1650FEL 32.776911 N Lat, 104.228952 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 19	30-015-42051-00-S1	Sec 1 T18S R27E SENW 2310FNL 2310FWL 32.776954 N Lat, 104.233148 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 20	30-015-42036-00-S1	Sec 1 T18S R27E SWNW 2188FNL 909FWL 32.777336 N Lat, 104.237735 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 21	30-015-42334-00-S1	Sec 1 T18S R27E Lot 3 1005FNL 1630FWL 32.780565 N Lat, 104.235432 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 23	30-015-42336-00-S1	Sec 1 T18S R27E Lot 1 2420FNL 330FEL 32.776991 N Lat, 104.224637 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 24	30-015-42337-00-S1	Sec 1 T18S R27E Lot 1 984FNL 243FEL 32.780509 N Lat, 104.224351 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 25	30-015-42361-00-S1	Sec 1 T18S R27E NWSW 2000FSL 1022FWL 32.774589 N Lat, 104.237320 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 26	30-015-42338-00-S1	Sec 1 T18S R27E NESW 2270FSL 1650FWL 32.775307 N Lat, 104.235278 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 27	30-015-42359-00-S1	Sec 1 T18S R27E Lot 1 1960FSL 2063FWL 32.774438 N Lat, 104.233914 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 28	30-015-42358-00-S1	Sec 1 T18S R27E SESW 183FSL 2497FWL 32.769535 N Lat, 104.232413 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 29	30-015-42339-00-S1	Sec 1 T18S R27E SWSW 360FSL 990FWL 32.770082 N Lat, 104.237349 W Lon
NMNM0557371	NMNM0557371	AAO FEDERAL 30	30-015-42360-00-S1	Sec 1 T18S R27E SWSW 1261FSL 281FWL 32.772587 N Lat, 104.239709 W Lon
NMLC062412	NMLC062412	AAO FEDERAL 22	30-015-42335-00-S1	Sec 1 T18S R27E Lot 4 790FNL 330FWL 32.781199 N Lat, 104.239693 W Lon

10. Field and Pool, continued

RED LAKE-GLORIETA-YESO
UNKNOWN

32. Additional remarks, continued

AAO FEDERAL #022 30-015-42335
AAO FEDERAL #023 30-015-42336
AAO FEDERAL #024 30-015-42337
AAO FEDERAL #025 30-015-42361
AAO FEDERAL #026 30-015-42338
AAO FEDERAL #027 30-015-42359
AAO FEDERAL #028 30-015-42358
AAO FEDERAL #029 30-015-42339
AAO FEDERAL #030 30-015-42360

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

**APACHE CORPORATION
AAO FEDERAL
MULTIPLE WELLS
MULTIPLE LEASES**

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>