Form 3160-5 (June 2015) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 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. Artesia					FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018		
					5. Lease Serial No. NMLC029435A6. If Indian, Allottee or Tribe Name		
							SUBMIT IN TRIPLICATE - Other instructions on page 2
1. Type of Well ☐ Oil Well ☐ Gas Well Ø Other: UNKNOWN OTH					8. Well Name and No. RAVEN CENTRA	L BATTERY 1	
2. Name of Operator Contact: EMILY FOLLIS APACHE CORPORATION E-Mail: Emily.Follis@apachecorp.com					9. API Well No. 30-015-40465		
3a. Address3b. Phone No. (include at Phi: 432-818-1801303 VETERANS AIRPARK LANE SUITE 1000 MIDLAND, TX 797053b. Phone No. (include at Ph: 432-818-1801					10. Field and Pool or I CEDAR LAKE:C	Exploratory Area GLORIETA-YESO	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish,	State	
Sec 7 T17S R31E					EDDY COUNTY COUNTY, NM		
12. CHECK THE A	PPROPRIATE BOX(ES)) TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	IER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
X Notice of Intent	Acidize	🗖 Dee	pen	Product	ion (Start/Resume)	U Water Shut-Off	
	Alter Casing	🗖 Hyd	raulic Fracturing	🗖 Reclam	ation	Well Integrity	
Subsequent Report	Casing Repair	🗖 Nev	Construction	🗖 Recomp	lete	Other	
Final Abandonment Notice	Change Plans	□ Plug and Abandon □ Ten		Tempor	arily Abandon	ndon Venting and/or Flam ng	
	Convert to Injection	🗖 Plug	Plug Back 🖸 Water		Disposal		
Apache would like to request a 08/21/17 . All gas will be Meas	sured prior to flaring.	cf per day for	,		NM OIL	CONSERVA	
Raven Central Bty - PAD 1,5,8,10,12,16 RAVEN BATTERY FLARE(5)					ART	11 19 20 QD.A	
1. Meter #6165023 2. Volumes are being reported 3. Flare location - Sec 7 17S,3	t to the BLM on ONRR th 1E sent prior		ort SE	E ATTA NDITI	CHED FOR	RECENAL	
CEDAR LAKE FEDERAL CA	701 30-015-40465 Veni		5,31E V				
14. I hereby certify that the foregoing is	Electronic Submission #	E CORPORAT	ON, sent to the C DEBORAH MCKI	Carlsbad NNEY on 04/	27/2017 ()		
Name (Printed/Typed) EMILY FC	DLLIS		Title REGUL	ATORY AN		_/ _	
Signature (Electronic S	<u>a an an</u>		Date 04/27/20	¥I≂= <u>I/</u> =		<∕ //	
— ———————————————————————————————————	THIS SPACE FO	OR FEDERA			SE JUL / Q 2017	Allha	
Ammound Du			Tiul-			$A \mathbf{k} \mathbf{k} \mathbf{k} \mathbf{k} \mathbf{k} \mathbf{k}$	
Approved By Conditions of approval, if any, are attached. Approval of this notice does not warr certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.		s not warrant or le subject lease	Title Office	BUREA	U OF LAND MANACE RLSBAD FIND OF I		
Fitle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	a crime for any pe s to any matter w	rson knowingly and ithin its jurisdiction.	villfully to ma	ke to ny department or	agency of the United	
(Instructions on page 2) ** OPERA	OR-SUBMITTED ** C	PERATOR-	SUBMITTED*	* OPERAT	OR-SUBMITTED	** /	

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32. Additional remarks, continued

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CEDAR LAKE FEDERAL CA 719H 30-015-40916 PAD J CEDAR LAKE FEDERAL CA 720H 30-015-40917 CEDAR LAKE FEDERAL CA 721H 30-015-40918	
CEDAR LAKE FEDERAL CA 810H 30-015-40466 PAD 5 CEDAR LAKE FEDERAL CA 811H 30-015-40467 CEDAR LAKE FEDERAL CA 812H 30-015-40468 CEDAR LAKE FEDERAL CA 826H 30-015-40462 CEDAR LAKE FEDERAL CA 827H 30-015-40470	NML 029435A
CEDAR LAKE FEDERAL CA 716H 30-015-40913 PAD 8 CEDAR LAKE FEDERAL CA 717H 30-015-40914 CEDAR LAKE FEDERAL CA 718H 30-015-40915 CEDAR LAKE FEDERAL CA 737H 30-015-40901 CEDAR LAKE FEDERAL CA 738H 30-015-40902 CEDAR LAKE FEDERAL CA 739H 30-016-40903	
CEDAR LAKE FEDERAL CA 628H 30-015-42653 PAD 10 CEDAR LAKE FEDERAL CA 629H 30-015-42585 GEDAR LAKE FEDERAL CA 630H 30-015-42586 CEDAR LAKE FEDERAL CA 634H 30-015-42654 CEDAR LAKE FEDERAL CA 635H 30-015-42587 GEDAR LAKE FEDERAL CA 636H 30-015-42588)
CEDAR LAKE FEDERAL CA 640H 30-015-42900 PAD 12 CEDAR LAKE FEDERAL CA 641H 30-015-42901 CEDAR LAKE FEDERAL CA 642H 30-015-42902 CEDAR LAKE FEDERAL CA 643H 30-015-42903 CEDAR-LAKE FEDERAL CA 644H 30-015-42904 GEDAR-LAKE FEDERAL CA 645H 30-015-42906	
CEDAR LAKE FEDERAL CA 652H 30-015-42907 PAD 16 CEDAR LAKE FEDERAL CA 653H 30-015-42908 CEDAR LAKE FEDERAL CA 654H 30-015-42909 CEDAR LAKE FEDERAL CA 655H 30-015-42910 CEDAR LAKE FEDERAL CA 655H 30-015-42911 CEDAR LAKE FEDERAL CA 657H 30-015-42912	

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

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> <u>royalty</u> 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

- 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, 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). <u>Include method for volume determination and duration</u>. <u>Report</u> <u>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.</u>
- 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 (due to volume of gas being flared). 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; <u>https://www.ecfr.gov/cgi-</u>

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