Form 3160-5 (June 2015)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

Lease Serial No. NMNM112920

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abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well ☐ Oil Well    Other					8. Well Name and No. RIVERBEND 14 FEDERAL COM 2H		
Name of Operator     CIMAREX ENERGY CO. OF O	Contact:	AMTITHY E ( @gmail.com	CRAWFORD		9. API Well No. 30-015-41589		
3a. Address 202 S. CHEYENNE AVE STE TULSA, OK 74103	3b. Phone No. Ph: 432-62	(include area code) 0-1909		10. Field and Pool or Exploratory Area WILDCAT			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State		
Sec 14 T25S R28E 75FNL 1980FWL					EDDY COUNTY, NM		
12. CHECK THE AP	PROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION			ACTION				
■ Notice of Intent	☐ Acidize	☐ Deep	pen	☐ Producti	ion (Start/Resume)	■ Water Shut-Off	
	☐ Alter Casing	☐ Hyd	raulic Fracturing	☐ Reclama	ation	■ Well Integrity	
☐ Subsequent Report	□ Casing Repair	□ New	Construction	□ Recomp	lete	Other	
☐ Final Abandonment Notice	Change Plans	Plug	and Abandon	☐ Tempora	arily Abandon	Venting and/or Flari	
	☐ Convert to Injection	Plug	Back	☐ Water D	Disposal		
testing has been completed. Final Ab determined that the site is ready for fi Cimarex requests to flare appr to high line pressure	inal inspection. roximately 1000 mcf thro	ugh April 1st 2	E ATTAC	ne 30th 2017	7 due NM OIL ART	CONSERVATION TESTA DISTRICT  JL. 19 2017 p	
14. I hereby certify that the foregoing is	Electronic Submission # For CIMAREX ENEI	371663 verifie	d by the BLM Wel	I Information	System		
	Committed to AFMSS for					/ / /	
Name (Printed/Typed) AMTITHY	E CRAWFORD		Title REGUL	ATORY AN	ALYST /		
Signature (Electronic S	Submission)		Date 03/30/2	117		<u> </u>	
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE	EUNED/		
Approved By  Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu	d. Approval of this notice does	not warrant or	Title	JUL	2 2017	Dale	
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a	crime for any pe	rson knowingly and		A CONTRACTOR OF THE PROPERTY O		
(Instructions on page 2)	OR-SUBMITTED ** O		+/-	* OPERAT	OR-SUBMITTED	)**	

## 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 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 <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). 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.
  - 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**; <a href="https://www.ecfr.gov/cgi-">https://www.ecfr.gov/cgi-</a>

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