Form 3160-5 (June 2015)

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

**NMOCD** Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 201

5. Lease Serial No. NMNM0219603A

# 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.

6. If Indian, Allottee or Tribe Name

apandoned wer	i. Use ioriii s iou-s (Ari	D) for such prop	pusais.		ŕ		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.		
I. Type of Well  ☑ Oil Well ☐ Gas Well ☐ Other					8. Well Name and No. FEDERAL BW 10		
Name of Operator Contact: MIRIAM MORALES     EOG Y RESOURCES INC E-Mail: Miriam_Morales@eogresources.com					9. API Well No. 30-015-23603		
3a. Address 104 SOUTH FOURTH STREE ARTESIA, NM 88210	3b. Phone No. (ir Ph: 575-748-4	nclude area code) 4200		10. Field and Pool or Exploratory Area EAGLE CREEK;SAN ANDRES			
4. Location of Well (Footage, Sec., T.	, R., M., or Survey Description	<u> </u> )			11. County or Parish,	State	
Sec 22 T17S R25E SWSE 330FSL 2310FEL				EDDY COUNTY, NM			
12. CHECK THE AF	PROPRIATE BOX(ES)	TO INDICATE	NATURE O	F NOTICE,	REPORT, OR OTH	IER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent     ■     Notice of Intent     Notice of	☐ Acidize	□ Deepen	□ Deepen □ Pr		ion (Start/Resume)	☐ Water Shut-Off	
_	☐ Alter Casing	Hydrau	lic Fracturing	■ Reclamation		■ Well Integrity	
☐ Subsequent Report	□ Casing Repair	□ New Co	onstruction	□ Recomp	olete	Other	
☐ Final Abandonment Notice	□ Change Plans	☐ Plug an	nd Abandon	□ Tempor	arily Abandon		
	☐ Convert to Injection	Plug Ba	ack	☐ Water □	Disposal		
testing has been completed. Final At determined that the site is ready for fine EOG Y Resources, Inc. is required the EOG pipeline. All gas flare	inal inspection. uesting permission to flar	e March 23-Aug	ust 23, 2017 c	lue to repair	s on		
Federal BW #1-30-015-20454		•	·		NM OIL CO	NSERVATION	
Federal BW #2-30-015-20455	√,				ARTESIA	DISTRICT	
Federal BW #3-30-015-20456 Federal BW #4-30-015-20465	<b>7</b> /				JUI 1	0.2017 1.0	
Federal BW #5-30-015-21157 CEE A TEL A GETT							
Federal BW #6-30-015-21158/ SEE ATTACHED FOR Federal BW #7-30-015-21651 (CONDITIONS OF A DECEMBER OF							
Federal BW #10-30-015-23603 / CONDITIONS OF APPROVA CEIVED							
14. I hereby certify that the foregoing is  Name(Printed/Typed) MIRIAM N	Electronic Submission # For EOG Y Committed to AFMSS for	RESOURCES NO processing by DE	, sent to the C EBORAH MCKI	arlsba⁄d	(24/2017 ()		
The state of the s	10101220		11.000	7	1 1	/	
Signature (Electronic S	Submission)	D	ate 05/23/20		<u>XPPROVED</u>	) . 4	
	THIS SPACE FO	OR FEDERAL	OR STATE	deficie u	SE		
Approved By			Γitle		JUL 1/3/2017	Male Male	
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	BVREA CA!	U OF LAND WANASE RLSBAD FILLD OFF		

## Additional data for EC transaction #377051 that would not fit on the form

#### 32. Additional remarks, continued

Federal BW #13-30-015-24235 Federal BW #14-30-015-24236 Federal BW #15-30-015-24290 Federal BW #16-30-015-24291

This circumstantial flare could result longer than 24 hour period and possibly more than the 144 hours cumulative authorized under NTL4A III.A. Flare volumes will be reported on OGOR.

### 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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