·						
	PARTMENT OF THE I	UNITED STATES RTMENT OF THE INTERIOR EAU OF LAND MANAGEMENT			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. NMNM0219603A	
					6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agre	eement, Name and/or No.
I. Type of Well     Image: Second seco					8. Well Name and No. FEDERAL BZ 17	
2. Name of Operator EOG Y RESOURCES INC E-Mail: Miriam_Morales@eogresources.com					9. API Well No. 30-015-24237	
3a. Address 104 SOUTH FOURTH STREE ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-4200			10. Field and Pool or Exploratory Area EAGLE CREEK;SAN ANDRES		
4. Location of Well (Footage, Sec., 7	11. County or Parish,			State		
Sec 21 T17S R25E SESE 33(			EDDY COUNTY, NM			
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE, I	REPORT, OR OT	HER DATA
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☑ Notice of Intent		Deepen Proc		on (Start/Resume)	UWater Shut-Off
□ Subsequent Report	□ Alter Casing	_			tion	Well Integrity
	Casing Repair		New Construction Recor			🛛 Other
Final Abandonment Notice	<ul> <li>Change Plans</li> <li>Convert to Injection</li> </ul>				arily Abandon	
If the proposal is to deepen direction Attach the Bond under which the wo following completion of the involved testing has been completed. Final Al determined that the site is ready for f EOG Y Resources, Inc. is req the EOG pipeline. All gas flare Federal BZ #2-30-015-20481 Federal BZ #3-30-015-20483 Federal BZ #5-30-015-20493 Federal BZ #6-30-015-20493 Federal BZ #7-30-015-20500 Federal BZ #8-30-015-20503 Federal BZ #9-30-015-20503 Federal BZ #10-30-015-21155 Federal BZ #13-30-015-21832	rk will be performed or provide l operations. If the operation re bandonment Notices must be fi inal inspection. uesting permission to flar ed will be metered and re <b>NM OIL CO</b> ARTESI JUL	the Bond No. o sults in a multip led only after all e March 23-A ported as per	n file with BLM/BIA e completion or recorrequirements, includ ugust 23, 2017 of BLM requiremer	A. Required sub ompletion in a n ling reclamation due to repairs nts. SEE AT	isequent reports must be ew interval, a Forn 31 a, have been completed s on TACHED [	e filed within 30 days 60-4 must be filed once and the operator has
14. I hereby certify that the foregoing is	Electronic Submission #	377130 verifie	d by the BLM Wel	II Information	System	
	For EOG Y Committed to AFMSS for	RESOURCES	NC, sent to the C DEBORAH NCKI	Carlsbad INNEY on 05/2	24/2017 0	4-1
Name(Printed/Typed) MIRIAM N	Title PRODU		PROVED			
Signature (Electronic		Date 05/23/2	017	1 / 2 2017 /		
	THIS SPACE FO	DR FEDERA	L OR STATE	OFFICE	SE CON	
_Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or eq which would entitle the applicant to condu	e subject lease	Title Office	· · · · ·	F LAND MANAGEN BAD FIELD HEFTCE	NI Date	
Title 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	crime for any post to any matter w	rson knowingly and ithin its jurisdiction.	willfully to ma	ke to any department of	r agency of the United
(Instructions on page 2)			1			ι

۴

° •

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

## Additional data for EC transaction #377130 that would not fit on the form

32. Additional remarks, continued

x

Federal BZ #14-30-015-21856 Federal BZ #15-30-015-21364 Federal BZ #16-30-015-21364 Federal BZ #16-30-015-21364 Federal BZ #17-30-015-24237 Federal BZ #19-30-015-24230 Federal BZ #20-30-015-24240 Federal BZ #21-30-015-24241 Federal BZ #22-30-015-24368 Federal BZ #24-30-015-24554 Federal BZ #25-30-015-24553 Federal BZ #26-30-015-24604

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 <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".
- 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 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).
  - 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