SUUDER NOTICES AND REPORTS ON WELLS Do not use this form of proposals to drift for to re-net an abandoned well. Use form 3160-3 (APD) for such proposals. <ul> <li>It Multicas Allettee of Table Name</li> <li>It funding, Allettee of Table Name</li> </ul> <ul> <li>SUBMIT IN TRIPLICATE - Other instructions on page 2</li> <li>It funding, Allettee of Table Name</li> <li>Submit in TRIPLICATE - Other instructions on page 2</li> </ul> <ul> <li>It funding, Allettee of Table Name</li> <li>Submit in TRIPLICATE - Other instructions on page 2</li> <li>It funding, Allettee of Table Name</li> <li>Submit in TRIPLICATE - Other instructions on page 2</li> </ul> <ul> <li>Submit in TRIPLICATE - Other instructions on page 2</li> <li>It funding, Allettee of Table Name and on No.</li> <li>Submit in TRIPLICATE - Other instructions on page 2</li> </ul> <ul> <li>It funding, Allettee of Table Name and on No.</li> <li>Submit in TRIPLICATE - Other instructions on page 2</li> <li>It funding, Allettee of Table Name and on No.</li> <li>Allettee of No.</li> <li>Submit in Transmit in the Name and instructions on page 2</li> <li>It funding, Allettee of Table Name and instructions on page 2</li> <li>Allettee of Table Name and No.</li> <li>Allettee of Table Name and No.</li> <li>Allettee of Table Name and No.</li> <li>It funding, Allettee of Table Name and No.</li> <li>It funding, Allettee of Table Name Allettee and Page 200 of Exploration Y Area</li> <li>It funding, Allettee of Table Name Allettee and Page 200 of Exploration Y Area</li> <li>It fundin</li></ul>		UNITED STATE EPARTMENT OF THE I BUREAU OF LAND MANA	NTERIOR Artes		OMB NO Expires: Ja	APPROVED D. 1004-0137 Inuary 31, 2018	
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B oit Well       Gas Well       Other       EAST PECOS FEDERAL 22 003H         2. Mane of Openair RKI EXPLORATION & PRODUCTIONE-Mail: califin.ohar@wpxenergy.com       9. API Well No. 30-015-42285       30. Ohol & 2285         3a. Address 3500 ONE WILLIAMS CENTER MD 35 TULSA. OK 74172       Dr. Field and Pool or Exploratory Area CORRAL CANYON,DENE SPRING         1. Location of Well       (Poolage, Sec. T. R. M. or Survey Description)       11. County or Parish, State         2. Optimized Types       Soc 22 726S R29E SWSW 50FSL 530FWL 32 021034 N Lat, 103 978220 W Lon       11. County or Parish, State         2. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA       TYPE OF SUBMISSION       TYPE OF ACTION         B Notice of Intent       Acidize       Deepen       Production (Start/Resume)       Water Shut-Off         G Subsequent Report       Conspleted Operation: Clearly state all pertinent dealist, including estimated starting date of any provide work and approximate duration thereof. If the proposed or Completed Operation: Clearly state all pertinent dealist, including estimated starting date of any provide work and approximate duration thereof. If the proposed or Completed Operation: Clearly state all pertinent dealist, including astimated states of any proposed work and approximate duration thereof. If the proposed or Completed Operation: Clearly state all pertinent dealistics and mescared and we vertical deghts of all pertinent maters and zones. Attach the Bodi ander which the work will be performed or provide the Bood No. on file with BLM/BLA. Requinted ablescapart reporits must filed within 30 days etsing habe en	SUBMIT IN TRIPLICATE - Other instructions on page 2				7. If Unit or CA/Agreement, Name and/or No.		
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3a. Address 3600 ONE WILLIAMS CENTER MD 35 TULSA, OK 74172       10. Field and Peol or Exploratory Area CORRAL CANYON, BONE SPRING         4. Location of Well (Foolings, Sec., T. K. M. or Survey Description)       11. Country or Parish, State EDDY COUNTY, NM         Sec. 22 T26S R29E SWSW 50FSL 530FWL 32 021034 N Lat, 103 376820 W LON       11. Country or Parish, State EDDY COUNTY, NM         12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION       TYPE OF ACTION         13. Notice of Intent       Acidize       Deepen       Production (Stat/Resume)       Water Shut-Off Other         14. Interder Report       Casing Repair       New Construction Construction       Reclamation       Well Integrity         13. Describe Proposed or Completed Operation: Clamary state all pertinent deatily, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally give subsurface locations and measured and two evical depths of all pertinent markers and zones. State the Bond Moon Which Notices must Bif an antilpic completion or recompleted on a new interval, a Form 310-4 must be filed white 30 days following completion of the involved operations. Rule will be model will and Marking reclamation, have were all depths of all pertinent markers and zones. The test path bear completed The PRODUCTION, LLC requests to flare due to upgrading tie-in line to a 6" meter line up to one week from 5/3/2017. UL 19 2017. JUL 19 2017. JUL 19 2017. JUL 19 2017. Dill BILS:D = 109       NM OIL CONSERVATION ARTESTA DISTRICT JUL 19 2017. NM OIL CONSERVATION & REOCHED FOX CONDITIONS OF A. TACHED FOX CONDITIO	2. Name of Operator						
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Signature (Electronic Submission) Date 05/03/20 7 APPROVED	Name(Printed/Typed) CAITLIN	O'HAIR	Title SUBMIT	<u>TER  </u>		/	
	Signature (Electronic	Submission)	Date 05/03/20	7 API	PROVER	$\dot{\mathbf{j}}$	

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Approved By	Title	JUL	7 / 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 /	BUREAU OF L CARLSBA	AND MATHAGEMENT	
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any per States any false, fictitious or fraudulent statements or representations as to any matter wi			v department or agency	of the United

(Instructions on page 2) \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

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## 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**

- 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".
- 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>. Report <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).
  - 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