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-artesia abandoned well. Use form 3160-3 (APD) for such proposals.					FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018		
					5. Lease Serial No. NMLC063079A		
					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agre	ement, Name and/or No.	
1. Type of Well Gas Well Other					8. Well Name and No. POKER LAKE CVX JV PB 4H		
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com				9. API Well No. 30-015-40756-00-S1			
3a. Address 3b. Phone P O BOX 2760 Ph: 432 MIDLAND, TX 79702 Ph: 432			. (include area code) 13-2277		10. Field and Pool or Exploratory Area WC G-05 S26 30010		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				11. County or Parish, State			
Sec 25 T25S R30E SESW 1 32.094179 N Lat, 103.83550		EDDY COUNTY, NM					
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE OF	NOTICE,	REPORT, OR OTI	HER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent	C Acidize	🗖 Dee	pen	Producti	ion (Start/Resume)	□ Water Shut-Off	
Subsequent Report	Alter Casing		raulic Fracturing	C Reclama	1.	Well Integrity	
Final Abandonment Notice	Casing Repair □ N Change Plans □ P		v Construction 2 and Abandon	Recomplete Temporarily Abandon		☑ Other Venting and/or Flari	
	Convert to Injection	C Plu	g Back	U Water Disposal		ng	
 Final Abandonment Notice Describe Proposed or Completed Op If the proposal is to deepen direction Attach the Bond under which the wa following completion of the involve testing has been completed. Final A determined that the site is ready for BOPCO, LP respectfully subtion 90-days, April - June 2017. Estimated amount to flare is intermittent and is necessary Gas volumes will be metered production reports 	isandonment Notices must be file final inspection. nits this sundry for Notice of 100 MCFD, depending on p due to restricted pipeline of prior to flaring, allocated b	of Intent to in pipeline cond apacity. ack to each	termittently flare f litions. Flaring will well and reported	or on monthly CON	ATTACHE	And the operator has L CONSERVATION RTESIA DISTRICT IG 09 2012AB OFFOR OIIOII1 OF APP	
14. I hereby certify that the foregoing is true and correct. Electronic Submission #369620 verified by the BLM Well Information System							
For BOPCO LP, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 03/14/2017 (17PP0448SE) Name (Printed/Typed) TRACIE J CHERRY Title REGULATORY ANALYST							
Signature (Electronic Submission)			Date 03/13/20		APPRO	ED	
	THIS SPACE FO	R FEDERA	L OR STATE C		<u>E</u>		
Approved By			Title		AUG A		
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.							
Title 18 U.S.C. Section 1001 and Title 4. States any false, fictitious or fraudulent	statements or representations as	to any matter w	ithin its jurisdiction.				
(Instructions on page 2) ** BLM REV	/ISED ** BLM REVISED) ** BLM RI	EVISED ** BLN	REVISED	** BLM REVISE	D **	

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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

- 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).
 - 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