Form 3160-5 (June 2015)	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT					FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No.	
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an Artesia abandoned well. Use form 3160-3 (APD) for such proposals.						NMNM02862 6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2						7. If Unit or CA/Agreement, Name and/or N	
1. Type of Well						891000303X 8. Well Name and No.	
🛛 Oil Well 🔲 Gas Well 📋 Other						POKER LAKE UNIT CVX JV BS 3H	
2. Name of Operator Contact: TRACIE J CH BOPCO LP E-Mail: tjcherry@basspet.com				IERRY		9. API Well No. 30-015-37838-00-S1	
3a. Address P O BOX 2760 MIDLAND, TX 79	<u>, ng ana ao ao</u>	3b. Phone No. (include area code) Ph: 432-683-2277			10. Field and Pool or Exploratory Area WILDCAT		
	, R., M., or Survey Description				11. County or Parish, State		
Sec 22 T24S R30	FSL 400FEL				EDDY COUNTY, NM		
12. CHE	CK THE AF	PROPRIATE BOX(ES)	TO INDICAT	E NATURE O	F NOTICE	E, REPORT, OR OTH	IER DATA
TYPE OF SUBM		TYPE OF ACTION					
S Notice of Intent		Acidize		🗖 Deepen		ction (Start/Resume)	□ Water Shut-
Notice of Intent		Alter Casing	🗖 Hydr	Hydraulic Fracturing		mation	🗖 Well Integrit
Subsequent Report	ort	Casing Repair	🗖 New	New Construction		nplete	Other
Final Abandonment Notice		Change Plans	Plug and Abandon		Temporarily Abandon Water Disposal		Venting and/or ng
	<u> </u>	Convert to Injection	🗖 Plug			-	
90-days, April - Ju	une 2017.	its this sundry for Notice ig Sinks 22 Fed battery a 03H* / 30-015-37838-00					OIL ARTESIA DISTRIU UG CONSERV UG CONSERV UG CONSERV UG CONSERV UG CONSERV UG CONSERV UG CONSERV UG
Poker Lake CVX Poker Lake CVX Poker Lake Unit C Poker Lake CVX	JV BS 009H JV BS 015H CVX JV BS 0 JV BS 026H	/ 30-015-39633-00-S1 / 30-015-40395-00-S1 / 18H / 30-015-40936-00-S / 30-015-42375 / 28H / 30-015-42393-00-S	51	SEE COI		CHED FOR	ROSA
Estimated amoun	it to flare is 5	00 MCFD, depending on	pipeline condi	ions. Flaring w	ill øe	/ (//	50 / HAN
14. I hereby certify that	the foregoing is	true and correct. Electronic Submission #	369621 vorific	by the BLM Me	Informati		/ //
	Con	For I mitted to AFMSS for proc	BOPCO LP. sei	nt to the Carlsba	d /		
Name (Printed/Typed)			essing by File		ATORYA		
Signature	(Electronic S	Submission)		Date 03/13/2	017	" the second	7/h
		THIS SPACE FO	DR FEDERA	· · · · · · · · · · · · · · · · · · ·		USE 7 4 2017	11/10
						OPLANG MAN JEW	AM Late
certify that the applicant he	olds legal or equ	d. Approval of this notice does atable title to those rights in the		Title	CA	RESEAU VIEL PATICE	
which would entitle the ap Title 18 U.S.C. Section 10 States any false fictition	01 and Title 43	uct operations thereon. U.S.C. Section 1212, make it a statements or representations as	crime for any per	Office son knowingly and hin its jurisdiction	wilfully to	make to any department or	agency of the Unie
(Instructions on page 2)						<u>v</u>	// -
×1	BLM REV	ISED ** BLM REVISE	D ** BLM RE	VISED ** BLM	REVISE	ED ** BLM REVISE	D** 🗸
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Additional data for EC transaction #369621 that would not fit on the form

32. Additional remarks, continued

intermittent and is necessary due to restricted pipeline capacity.

Gas volumes will be metered prior to flaring, allocated back to each well and reported on monthly production reports

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</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