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, 2018

5. Lease Serial No. NMI C061705B

NMLC061705B

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

abandoned wel	6. If Indian, Allo	6. If Indian, Allottee or Tribe Name				
SUBMIT IN 1		7. If Unit or CA/Agreement, Name and/or No. 891000303X				
1. Type of Well		8. Well Name and No.				
☑ Oil Well ☐ Gas Well ☐ Oth		POKER LAKE UNIT CVX JV BS 5H				
2. Name of Operator BOPCO LP	9. API Well No. 30-015-390	9. API Well No. 30-015-39018-00-S1				
3a. Address P O BOX 2760 MIDLAND, TX 79702		. Phone No. (include area code) n: 432-683-2277		10. Field and Pool or Exploratory Area UNKNOWN		
4. Location of Well (Footage, Sec., T.	11. County or Pa	11. County or Parish, State				
Sec 25 T24S R30E SWSE 10	EDDY COL	EDDY COUNTY, NM				
12. CHECK THE AF	PPROPRIATE BOX(ES) TO	INDICATE NATURE O	F NOTICE, REPORT, OR	OTHER DATA		
TYPE OF SUBMISSION		TYPE O	F ACTION			
Notice of Intent	☐ Acidize	□ Deepen	☐ Production (Start/Resum	e) Water Shut-Off		
☑ Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity		
☐ Subsequent Report	□ Casing Repair	■ New Construction	□ Recomplete	⊠ Other		
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abandon	□ Temporarily Abandon	Venting and/or Flari ng		
	Convert to Injection	☐ Plug Back	■ Water Disposal			
Attach the Bond under which the worfollowing completion of the involved testing has been completed. Final Attach the site is ready for final BOPCO, LP respectfully subm 90-days, April - June 2017. Wells associated at the PLU EVX BS Poker Lake Unit PLU CVX BS Poker Lake Unit PLU CVX BS Poker Lake Unit PLU CVX BS Estimated amount to flare is 2 intermittent and is necessary of Gas volumes will be metered	operations. If the operation results and onment Notices must be filed or inal inspection. Big Sinks 25 Fed battery are: 005H* / 30-015-39018-00-S 010H / 30-015-39846-00-S1 013H / 30-015-40155-00-S1 00 MCFD, depending on pipe due to restricted pipeline capa prior to flaring, allocated back	in a multiple completion or recomby after all requirements, includent to intermittently flare the conditions. Flaring wacity.	ompletion in a new interval, a Forling reclamation, have been comp for SEE ATTACIA CONDITIONS A ill be	L CONSERVATION		
, ,	Electronic Submission #3690 For BOP nmitted to AFMSS for processi	CO LP, sent to the Carlsba ng by PRISCILLA PEREZ o	id /			
Name (1 Time at 1 spear) TOAGIL 3	CHERKI	The REGUL	The same and the s			
Signature (Electronic S	Submission)	Date 03/13/2	017\ \ \APP	COVED IN		
	THIS SPACE FOR	FEDERAL OR STATE				
Approved By Conditions of approval, if any, are attache tertify that the applicant holds legal or equivalent would entitle the applicant to conductive the second to the second tertification of the s	uitable title to those rights in the subject operations thereon. U.S.C. Section 1212, make it a crim	ject lease Office ne for any person knowingly and	BUREAU OF AND OWNER SHADE			
States any false, fictitious or fraudulent	statements or representations as to a	ny matter within its jurisdiction.		- N / / /		

(Instructions on page 2) ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #369612 that would not fit on the form

32. Additional remarks, continued

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 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".
- 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.

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6. If Indian, Allottee or Tribe Name

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. NMNM0522A

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SUBMIT IN TRIPLICATE - Other instructions on page 2						7. If Unit or CA/Agreement, Name and/or No. 891000303X			
1. Type of Well ☐ Gas Well ☐ Other						8. Well Name and No. POKER LAKE UNIT CVX JV BS 27H			
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com						9. API Well No. 30-015-42111-00-S1			
3a. Address P O BOX 2760 MIDLAND, TX 79702		Phone No. (include area code) n: 432-683-2277			10. Field and Pool or Exploratory Area PADUCA				
4. Location of Well (Footage, Sec., T			11. County or Parish, State						
Sec 3 T25S R31E Lot 03 330FNL 1980FWL 32.165769 N Lat, 103.767286 W Lon					EDDY	COUNTY,	NM		
12. CHECK THE AF	PPROPRIATE BOX(ES)	TO INDICA	ΓΕ NATURE (OF NOTICE	E, REPORT, 0	OR OTHE	ER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION								
Notice of Intent ■ Notice of Intent	☐ Acidize	☐ Dee	pen	☐ Produ	ction (Start/Res	sume)	☐ Water Shut-Off		
_	☐ Alter Casing	☐ Hyd	raulic Fracturing	Recla	amation		■ Well Integrity		
☐ Subsequent Report	□ Casing Repair	□ New	Construction	☐ Recor	Recomplete		⊠ Other		
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14. I hereby certify that the foregoing is	Electronic Submission #	369608 verifie	d by the BLM W	el Informati		A	ECEIVED		
	nmitted to AFMSS for proce		SCILLA PEREZ	dn 03/14/201	1 1	E)	//		
Name (Printed/Typed) TRACIE J	CHERRY		Title REGL	LATORY	NALYST	+/			
Signature (Electronic S	Submission)		Date 03/13/	2017	STEERING !	LIV			
	THIS SPACE FO	R FEDERA	L OR STAT	OFFICE	USE	例			
				1-1-		/ 	\ 		
Approved By			Title		AUG 1/2	017	Pate		
Conditions of approval, if any, are attached. Approval of this notice does not certify that the applicant holds legal or equitable title to those rights in the su which would entitle the applicant to conduct operations thereon.			Office	DIDEN	WE AND THE	M			
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 pe to any matter w	rson knowingly ar	willfull to		utment or ag	ency of the United		
(Instructions on page 2) ** BLM REV	ISED ** BLM REVISED) ** BLM R	VISED ** BL	M REVISE	ED ** BLM R	EVISED	** /		

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- 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; https://www.ecfr.gov/cgi-

<u>bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true</u> &n=sp43.2.3170.3179&r=SUBPART