UNITED STATES DEPARTMENT OF THE INTERIOR BURGALLOG LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLETIA Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					Lease Serial No. NMLC063873A If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No.	
1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other					Well Name and No. POKER LAKE CVX JV BS 8H	
2. Name of Operator BOPCO LP	ERRY	9. API Well No. 30-015-39508-00-S1				
3a. Address			(include area code) -2277			Exploratory Area 253002O-BONE SPR
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State	
Sec 14 T25S R30E SESW 300FSL 1980FWL					EDDY COUNTY, NM	
12. CHECK THE AP	PROPRIATE BOX(ES) TO	O INDICAT	E NATURE OI	F NOTICE,	REPORT, OR OTH	IER DATA
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent ■ Notice of Intent Notice of	☐ Acidize	□ Deep	Deepen Prod		tion (Start/Resume)	■ Water Shut-Off
_	☐ Alter Casing	☐ Hydr	aulic Fracturing	□ Reclamation		■ Well Integrity
☐ Subsequent Report	□ Casing Repair	□ New	Construction	☐ Recomplete		Other
☐ Final Abandonment Notice	☐ Change Plans	Plug	and Abandon	☐ Tempor	rarily Abandon	Venting and/or Flari
	☐ Convert to Injection	Plug	☐ Plug Back ☐		er Disposal	
If the proposal is to deepen directional Attach the Bond under which the wor following completion of the involved testing has been completed. Final Abdetermined that the site is ready for fit BOPCO, LP respectfully submit 90-days, April - June 2017.	k will be performed or provide the operations. If the operation result that the operation result is and onment Notices must be filed in all inspection.	e Bond No. on ts in a multiple only after all r	file with BLM/BIA completion or reco equirements, includ	. Required su mpletion in a ing reclamatio	bsequent reports must be new interval, a Form 316 in, have been completed a	filed within 30 days 0-4 must be filed once and the operator has
Wells associated at the PLU 14-25-30 battery are: Poker Lake CVX JV PB 005H / 30-015-40763-00-S1 Poker Lake CVX JV BS 008H* / 30-015-39508-00-S1 Poker Lake CVX JV BS 011H / 30-015-39693-00-S1 Poker Lake Unit CVX JV BS 022H / 30-015-41693-00-S1 Poker Lake CVX JV BS 021H / 30-015-41554-00-S1 Poker Lake CVX JV BS 025H / 30-015-41639 Estimated amount to flare is 100 MCFD, depending on pipeline conditions. Flaring will be						9 2017
						// DIV/! \
14. I hereby certify that the foregoing is Com Name (Printed/Typed) TRACIE J	Electronic Submission #36 For BO nmitted to AFMSS for proces	PCO LP. se	nt to the Carlsba CILLA PEREZ or	d /	(17PP0441SE)	
			•		APM TO	MITT
Signature (Electronic S			Date 03/13/20			
	THIS SPACE FOR	FEDERA	L OR STATE	OFFICE U	المالع منتد	
_Approved By			Title		AUG	
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 43 U.S.C. Section 1212, make it a crime for any p			Office		READ OF LAND OF CARLSBAD FIXED	A STATE OF THE PARTY OF THE PAR
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a cristatements or representations as to	me for any pe any matter wi	son knowingly and hin its jurisdiction.	willfully to m	ake to any department or	agency of the United/

Additional data for EC transaction #369609 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 without incurring a royalty 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 \$undry 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). 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-

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