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

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Serial No. NMLC062140A

Do not use the abandoned we	6. If Indian, Allottee	6. If Indian, Allottee or Tribe Name			
abandoned we					
SUBMIT IN	7. If Unit or CA/Agr 891000303X	eement, Name and/or No.			
1. Type of Well	8. Well Name and No POKER LAKE U				
✓ Oil Well ☐ Gas Well ☐ Oth 2. Name of Operator	9. API Well No.				
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com			30-015-39795-	·00-S1	
3a. Address P O BOX 2760 MIDLAND, TX 79702		b. Phone No. (include area code) h: 432-683-2277	10. Field and Pool of BIG SINKS	Exploratory Area	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11. County or Parish	11. County or Parish, State	
Sec 28 T25S R31E SESE 700 32.095778 N Lat, 103.778319	EDDY COUNT	Y, NM			
12. CHECK THE AI	PPROPRIATE BOX(ES) TO) INDICATE NATURE OF	F NOTICE, REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
Notice of Intent ■ Notice of Intent Notice of	☐ Acidize	□ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
_	☐ 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	
	☐ Convert to Injection	☐ Plug Back	■ Water Disposal	ng.	
BOPCO, LP respectfully subn 90-days, April - June 2017. Estimated amount to flare is 1 intermittent and is necessary	00 MCFD, depending on pip	eline conditions. Flaring wil	ll be NM OIL	CONSERVATION	
Gas volumes will be metered production reports	prior to flaring, allocated bac	k to each well and reported	EE ATTACHED CONDITIONS OF	FELA DISTRICT	
14. I hereby certify that the foregoing is		593 verified by the BLM Well	Unformation System	///	
0	For BOF	°CO LP, sent to the Carl≰bac	i /	/	
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/14/2/01 Name (Printed/Typed) TRACIE J CHERRY Title REGULATORY			1 ' 11 ' V		
Name (1 rimea sypea) TRACIE S CHERRY		The REGIE	ATORYANALYSTA/FA		
Signature (Electronic	Submission)	Date 03/13/20	017		
	THIS SPACE FOR	FEDERAL OR STATE	OFFICE ALSE / 1 /2017,		
Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equal to the applicant holds legal or equal tor	uitable title to those rights in the sul	bject lease	BUREAU OF UND MANAGEMA CARLSBAN NEW OFFICE	Date	
which would entitle the applicant to conduct Title 18 U.S.C. Section 1001 and Title 43		Office Office	willfully to make to any department of	or agendy of the United	
States any false, fictitious or fraudulent			any department C	agency of the Office	
(Instructions on page 2) ** BLM REV	ISED ** BLM REVISED *	* BLM REVISED ** BLM	REVISED HENREVISE	ED 	

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 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). 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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