	UNITED STATES EPARTMENT OF THE II	NTERIOR Artesia	OMI	XM APPROVED 3 NO. 1004-0137 5: January 31, 2018	
BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS			5. Lease Serial No	5. Lease Serial No. NMNM02860	
Do not use the abandoned we	nis form for proposals to ell. Use form 3160-3 (API	drill or to re-enter an D) for such proposals.	6. If Indian, Allott	ee or Tribe Name	
SUBMIT IN	7. If Unit or CA/A 891000303X	7. If Unit or CA/Agreement, Name and/or No. 891000303X			
1. Type of Well Oil Well Gas Well O	8. Well Name and POKER LAKE	No. UNIT CVX JV PC 15H			
2. Name of Operator BOPCO LP		TRACIE J CHERRY asspet.com	9. API Well No. 30-015-4119	5-00-S1	
3a. Address P O BOX 2760 MIDLAND, TX 79702	O BOX 2760 Ph: 432-683-2277			10. Field and Pool or Exploratory Area PIERCE CROSSING-BONE SPRING,	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11. County or Pari	11. County or Parish, State	
Sec 19 T24S R30E SWSE 820FSL 2290FEL			EDDY COUNTY, NM		
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICATE NATURE	OF NOTICE, REPORT, OR C	THER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
Notice of Intent	🗖 Acidize	Deepen	Production (Start/Resume)	U Water Shut-Off	
_	Alter Casing	Hydraulic Fracturing	g 🗖 Reclamation	Well Integrity	
Subsequent Report	Casing Repair	New Construction	Recomplete	☑ Other Venting and/or Flar	
Final Abandonment Notice	<ul> <li>Change Plans</li> <li>Convert to Injection</li> </ul>	Plug and Abandon Plug Back	Temporarily Abandon Water Disposal	ng	
90-days, April - June 2017. Wells associated at the PLU Poker Lake CVX JV PC 017 Poker Lake Unit CVX JV PC	H / 30-015-41299-S1 🗸 👘	1		OIL CONSERVAT	
Poker Lake Unit CVX JV PC Poker Lake Unit CVX JV PC Poker Lake Unit CVX JV PC	015H* / 30-015-41195-S1	1 ,	SEE ATTACHED F		
Estimated amount to flare is intermittent and is necessary	100 MCFD, depending on due to restricted pipeline	pipeline conditions. Lianny	ONDITIONS OF A	APPROVACO	
				//	
14. I hereby certify that the foregoing	# Electronic Submission For I	369606 verified by the BLM W 30PCO LP, sent to the Carlst	bag //	K /	
	J CHERRY	essing by PRISCILLA PEREZ Title REGL	JLATORY ANALYST	<u> </u>	
Signature (Electronic	: Submission)	Date 03/13,	2017 APPROVI	DYA	
		DR FEDERAL OR STATE			
Approved By		Title	AUB 1/2	Date Date	
Conditions of approval, if any, are attack certify that the applicant holds legal or e which would entitle the applicant to con	quitable title to those rights in the		BUREAU OF NAND WAN CARLSSAD FIELDO	AGEMENT	
Fitle 18 U.S.C. Section 1001 and Title 4 States any false, fictitious or frauduler	3 U.S.C. Section 1212, make it a t statements or representations as	crime for any person knowingly a to any matter within its jurisdiction	d willfully to make to any department	t or agency of the United	
(Instructions on page 2) ** BLM RE	VISED ** BLM REVISE	D ** BLM REVISED ** BL	.MREVISED ** BLM REVI	SED **	
			/	$\checkmark$	
			/		

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# Additional data for EC transaction #369606 that would not fit on the form

## 32. Additional remarks, continued

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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> 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**

- 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 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).
  - 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; <u>https://www.ecfr.gov/cgi-</u>

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