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. NMLC061705B

SUNDRY NOTICES AND REPORTS ON WELLS

COMPINE	TO HOLO AND INCHO						
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No. 891000303E		
1. Type of Well ☐ Gas Well ☐ Other					8. Well Name and No. POKER LAKE UNIT 89		
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com					9. API Well No. 30-015-27787-00-S1		
3a. Address P O BOX 2760 MIDLAND, TX 79702	Ph: 432-6			o (include area code) 33-2277		10. Field and Pool or Exploratory Area POKER LAKE-DELAWARE, SW	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State		
Sec 25 T24S R30E SWNE 2310FNL 1980FEL					EDDY COUNTY, NM		
12. CHECK THE AF	PROPRIATE BOX(ES)	TO INDICAT	E NATURE O	F NOTICE,	REPORT, OR OTH	IER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent Notice of Intent	☐ Acidize	☐ Deepen		☐ Production (Start/Resume)		☐ Water Shut-Off	
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing				☐ Well Integrity	
	☐ Casing Repair	☐ New Construction ☐ Plug and Abandon		☐ Recomplete ☐ Temporarily Abandon			
☐ Final Abandonment Notice	☐ Change Plans ☐ Convert to Injection	☐ Plug Back		☐ Water I	-	ng	
following completion of the involved testing has been completed. Final Abdetermined that the site is ready for final BOPCO, LP respectfully subm 90-days, April - June 2017. Wells associated at the PLU 8 POKER LAKE UNIT 084 / 30-POKER LAKE UNIT 087 / 30-POKER LAKE UNIT 089* / 30-POKER LAKE UNIT 103 / 30-POKER LAKE UNIT 103 / 30-POKER LAKE UNIT 105 / 30-POKER LAKE UNIT 106 / 30-POKER LAKE UNIT 108 / 30-	9 battery are as follows: 015-29103-00-S1 015-27919-00-S1 015-27895-00-S1 015-27895-00-S1	ed only after all r	equirements, include ermittently flare NM OIL AR Al	for CONSEI TESIA DISTR	RVATION RICT THONS OF A	nd the operator has	
14. I hereby certify that the foregoing is	Electronic Submission #3	369652 verified	by the BLM We	II Information	n System	/	
Con	For B nmitted to AFMSS for proce	essing by PRIS	nt to the Cafisba CILLA PEREZ o	n 03/14/2017	(17FP0 73SE)		
Name (Printed/Typed) TRACIE J	CHERRY		Title REGUL	ATORY AN	ALYST		
Signature (Electronic S	Submission)		Date 03/13/2	O1F /	PROVED	N	
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE	\$1 20174		
Approved By			Title				
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conduct the conductions of the conduc		Office	CARLSE	JAND VANAGEMEN AD FIELD STEIGE			
Title 18 U.S.C. Section 1001 and Title 43					are to any department or	agency of the United	

Additional data for EC transaction #369652 that would not fit on the form

32. Additional remarks, continued

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POKER LAKE UNIT 111 / 30-015-28087-00-S1-POKER LAKE UNIT 114 / 30-015-28102-00-S1-POKER LAKE UNIT 115 / 30-015-28180-00-S1-POKER LAKE UNIT 115 / 30-015-29213-00-S1-POKER LAKE UNIT 102 / 30-015-35162-00-S1-POKER LAKE UNIT 308H / 30-015-37728-00-S1-POKER LAKE UNIT 344H / 30-015-39487-00-S1-POKER LAKE UNIT 345H / 30-015-39488-00-S1-POKER LAKE UNIT 346H / 30-015-39480-00-S1-POKER LAKE UNIT 346H / 30-015-POKER LAKE UNIT 3
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Estimated amount to flare is 100 MCFD, depending on pipeline conditions. Flaring will be intermittent and is necessary due to restricted pipeline capacity.

Gas is commingled at the flare to reduce the number flare stacks that would be needed for individual well locations.

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 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.

- 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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