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. NMLC064894A

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.						L				
						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. NMNM71016I				
1. Type of Well ☐ Gas Well ☐ Other						8. Well Name and No. POKER LAKE UNIT CVX JV PC 1H				
2. Name of Operator Contact: TRACIE J CHERRY BOPCO LP E-Mail: tjcherry@basspet.com						9. API Well No. 30-015-36635-00-S1				
3a. Address P O BOX 2760 MIDLAND, TX 79702		(include area code) 3-2277			10. Field and Pool or Exploratory Area WILDCAT					
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)						11. Count	y or Parish,	State		
Sec 17 T25S R30E SESE 350FSL 350FEL						EDDY COUNTY, NM				
12. CHECK THE A	PPROPRIATE BOX(ES) TO	O INDICAT	TE NATUI	RE OF	NOTICE	, REPORT	, OR OTI	IER DATA		
TYPE OF SUBMISSION TYPE OF ACTION										
■ Notice of Intent	☐ Acidize	- •	□ Deepen			☐ Production (Start/Resume)			☐ Water Shut-Off	
☐ Subsequent Report	· - ·		aulic Fracti	_	Reclamation			☐ Well Integrity		
	Casing Repair		Construction		Recomplete					
☐ Final Abandonment Notice	☐ Change Plans ☐ Convert to Injection		☐ Plug and Abandon☐ Plug Back			☐ Temporarily Abandon ☐ Water Disposal			ng	
Attach the Bond under which the wo following completion of the involve testing has been completed. Final A determined that the site is ready for BOPCO, LP respectfully subr 90-days, April - June 2017.  Wells associated at PLU Pier Poker Lake Unit CVX JV PC Poker Lake CVX JV RR 006Poker Lake Unit CVX JV RR Poker Lake Unit CVX JV RR Poker Lake Unit CVX JV PC Estimated amount to flare is intermittent and is necessary	d operations. If the operation result bandonment Notices must be filed final inspection.  mits this sundry for Notice of the ce Canyon 17 Fed Battery at the center of	its in a multiple only after all r Intent to infare:	e completion equirements, ermittently	or recom , includin	pletion in a g reclamation	new interval, on, have been	a Form 316 completed a	NSERVA	led once or has	
	Electronic Submission #36	PCO LP, s	nt to the Ca	arisbad	j	$A^{-1}A^{-1}$	SE)			
	J CHERRY			1	TORY AN			251	Ш	
Signature (Electronic	Submission)			3/13/20		AUG		017	MV	
	THIS SPACE FOR	R FEDERA	L OR ST	ATE O	FFICE	SE	A A	$I\Delta I$	// 11/1	
Approved By			Title		1	CARLSBA	D NATE	Date	171	
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.			Office	1	_/			••••••••••••••••••••••••••••••••••••••		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent					rillfully to n	nake to any de	epartment or	agency of the	United	

### Additional data for EC transaction #369607 that would not fit on the form

#### 32. Additional remarks, continued

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). <u>Include method for volume determination and duration</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.
- 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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