Form 3160-5 (June 2015)

NMOCL **UNITED STATES** DEPARTMENT OF THE INTERIOArtesia **BUREAU OF LAND MANAGEMENT**

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 201

SUNDRY NOTICES AND REPORTS ON WELLS

5. Lease Serial No. NMNM0522A

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. 891000303X		
1. Type of Well				8. Well Name and No. POKER LAKE UNIT 411H		
				9. API Well No.		
BOPCO LP	om		30-015-39930-00-S1			
3a. Address P O BOX 2760 MIDLAND, TX 79702		one No. (include area code) 32-683-2277		10. Field and Pool or Exploratory Area POKER LAKE-DELAWARE, SOUTH		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				11. County or Parish, State		
Sec 28 T24S R31E NWNE 1000FNL 1850FEL 32.192697 N Lat, 103.779717 W Lon				EDDY COUNTY, NM		
12. CHECK THE AF	PPROPRIATE BOX(ES) TO INI	DICATE NATURE OF	NOTICE, REPORT	, OR OTHER D	ATA	
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☐ Acidize [Deepen	☐ Production (Start/F	Resume) 🔲 W	ater Shut-Off	
	☐ Alter Casing [Hydraulic Fracturing	□ Reclamation	□ W	☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair [☐ New Construction	□ Recomplete			
☐ Final Abandonment Notice	Change Plans	☐ Plug and Abandon	☐ Temporarily Abane	don veni ng	Venting and/or Flari ng	
	Convert to Injection	Plug Back	☐ Water Disposal			
following completion of the involved testing has been completed. Final At determined that the site is ready for final BOPCO, LP respectfully subm 90-days, April - June 2017. Wells associated t the PLU 41 Poker Lake Unit 058 / 30-015-Poker Lake Unit 302H / 30-01 Poker Lake Unit 357H / 30-01 Poker Lake Unit 400H / 30-01 Poker Lake Unit 401H / 30-01 Poker Lake Unit 409H / 30-01 Poker Lake Unit 410H / 30-01 Poker Lake Unit 411H* / 30-01	nits this sundry for Notice of Intended 11 battery are: -24190-00-S3 5-37647-00-S1 5-39143-00-S1 5-40802-00-S1 5-41136-00-S1 5-40964-00-S1 15-39930-00-S1	multiple completion or reco fter all requirements, includi t to intermittently flare	mpletion in a new interval, ing reclamation, have been for	IL CONSERV ARTESIA DISTRIC	ATION	
14. I hereby certify that the foregoing is	Electronic Submission #369631	verified by the BLM Well LP, sent to the Carlsbac	Information System	* /		
Con	nmitted to AFMSS for processing b			PS TOKE		
Name (Printed/Typed) TRACIE J	CHERRY	Title REGUL	ATORY ANALYST	MAKA		
Signature (Electronic S	Submission)	Date 03/13/20	017	2017		
	THIS SPACE FOR FEE	DERAL OR STATE (OFFICE USE		1111) ()	
Approved By		Title	BUREAU OF L		WV	
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to condu	ant or			1		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a crime for statements or representations as to any m		willfully to make to any d	epartment or agency	of the United	

Additional data for EC transaction #369631 that would not fit on the form

32. Additional remarks, continued

Poker Lake Unit 412H / 30-015-39919-00-S1 Poker Lake Unit 413H / 30-015-39794-00-S1

Estimated amount to flare is 200 MCFD, depending on pipeline conditions. Flaring will be 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 <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

- 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-

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