	UNITED STATE EPARTMENT OF THE I	NTERIOR	NMO	CD	OMB N	APPROVED 0. 1004-0137		
I SUNDRY	Expires: January 31, 2018 5. Lease Serial No. NMNM13624							
Do not use th	nis form for proposals to ell. Use form 3160-3 (AF	drill or to re-	enter an		6. If Indian, Allottee of	r Tribe Name		
SUBMIT IN	7. If Unit or CA/Agreement, Name and/or No.							
1. Type of Well	8. Well Name and No. AVALON 1 FEDERAL 4							
☐ Oil Well ⊠ Gas Well □ O 2. Name of Operator FASKEN OIL AND RANCH,	Contact:	ADDISON LO	NG		9. API Well No. 30-015-31359			
3a. Address	10. Field and Pool or I	Exploratory Area						
6101 HOLIDAY HILL ROAD MIDLAND, TX 79707		Ph: 432-68	/-1///		BURTON FLAT; MORRÓW			
4. Location of Well <i>(Footage, Sec.,</i> Sec 1 T21S R26E 2853FSL)		1)			11. County or Parish, State EDDY COUNTY, NM			
12. CHECK THE A	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE	, REPORT, OR OTI	IER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION							
Notice of Intent	Acidize			□ Product □ Reclam	tion (Start/Resume)	Water Shut-Off		
Subsequent Report	☐ Alter Casing ☐ Casing Repair	•			olete	·□ Well Integrity ☑ Other		
Final Abandonment Notice	Change Plans	—	and Abandon		rarily Abandon	Venting and/or Flari		
	Convert to Injection	🗖 Plug		🗆 Water I	•	-		
13. Describe Proposed or Completed Op If the proposal is to deepen direction 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	nally or recomplete horizontally, ork will be performed or provide d operations. If the operation re bandonment Notices must be fil	give subsurface l the Bond No. on sults in a multiple	ocations and measur file with BLM/BIA e completion or reco	red and true ve . Required su mpletion in a	ertical depths of all pertin bsequent reports must be new interval, a Form 316	ent markers and zones. filed within 30 days)-4 must be filed once		
Fasken Oil and Ranch, Ltd. ru through October 26th. Enterp causing us to flare. They did ahead and request 30 days ir	rise notified us by phone t not give us a timetable of	today that they when it would	have a leak line be fixed so we v ring 150 mcfpd.	e that is vant to go SEE AT	ARTESIA DISTR NOV 07 20 TACHED F(2007 17 1114 2007		
			(.ONDI	TIONSOFA	PPROVAL		
Dday -:		zhont.	repa As	el	ent zer			
14. I hereby certify that the foregoing i	Electronic Submission #	IL AND RANCH	, LTD., sent to th	e Carlspad				
Name (Printed/Typed) ADDISON				ATORY AN	BITS TO TO A L	$\overline{\mathbf{n}}$		
Signature (Electronic	Submission)		Date 09/26/20)17				
9 ^{,444} ,1 ¹ , ¹ ,12,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,1,	THIS SPACE FO	DR FEDERA			SE COLLECT	IT KARA		
Approved By			Title	В	E DEL MAK			
Conditions of approval, if any, are attached certify that the applicant holds legal or eq which would entitle the applicant to cond	uitable title to those rights in the	not warrant or subject lease	Office	\bigwedge	VILIA NO HENYO	HICE IS		
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 any per to any matter wil	son knowingly and hin its jurisdiction.	fillfully to ma	ike to any department or a	agency of the United		
(Instructions on page 2) ** OPERA	TOR-SUBMITTED ** O		URMITTED **			** /		
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SUNDRY NOTICES AND REPORTS ON WELLS - NULLCOZ2015C Do not use his from for prograssis to drift of to re-entor an abandoned well. Use form 316-3 (APD) for such proposale. - NULLCOZ2015C SUBMIT IN TRIFLICATE - Other instructions on page 2 - If theirs Althouse the Nume 1: Type of Well - Manual Markon State - Other instructions on page 2 - If theirs Althouse the Nume 1: Type of Well - Constructions on page 2 - If theirs Althouse the Nume 1: Type of Well - Constructions on page 2 - If theirs Althouse the Nume 1: Type of Well - Constructions on page 2 - If theirs Althouse the Nume 1: Type of Well - Constructions on page 2 - If theirs Althouse the Nume 1: Attem Constructions on page 2 - If theirs Althouse the Nume - State - Constructions on page 2 1: Attem Constructions on page 2 - If theirs Althouse the Nume - State - Construction on page 2 - If theirs Althouse the Nume 1: Attem Constructions on page 2 - If theirs Althouse the Nume - State - Construction on page 2 - If theirs Althouse the Nume 2: Attem Constructions on page 2 - If theirs Althouse the Nume - State - Construction on page 2 - If theirs Althouse the Nume 3: Attem Constructions on page 2 - If their Althoute Construction on page 2 - If theirs		UNITED STATE EPARTMENT OF THE I UREAU OF LAND MANA	NTERIOR				FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No.			
abandoned well. Use form 3160-3 (APD) for such proposals. 6. If main, Name will be name SUBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Name SUBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na SUBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na SUBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na SuBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na SuBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na SuBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na SuBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na SuBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na 7. SuBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na 7. SuBMIT IN TRIPLICATE - Other instructions on page 2 7. If Unit or CA/Agreement, Name and to Na 7. SuBMIT IN TRIPLICATE 7. SuBMIT IN TRIPLIC						NMLC072015C				
	abandoned well. Use form 3160-3 (APD) for such proposals.						6. If Indian, Allottee or Tribe Name			
Outwell g Gas WellOnher Contact: ADDISON LONG FASKEN OIL AND FRANCH, LTD. E-Mail: addisong@of.com Subcorner FASKEN OIL AND RANCH, LTD. E-Mail: addisong@of.com Subcorner FASKEN OIL AND RANCH, LTD. E-Mail: addisong@of.com Subcorner Subcorner Contact: ADDISON LONG Subcorner Subcorner Subcorner Contact: ADDISON LONG Subcorner Su	SUBMIT IN	TRIPLICATE - Other ins	tructions on page	2		7. If Unit or CA/Agreement, Name and/or No.				
1 Contact: ADDISON LONG 9. Aff Wellow, 1 Second LAND FANCH, LTD. E-Mail: addisong@f00 com 30-015-23748 1 Address 10. Field and Pool or Exploratory Avas BUICTONIC AND FART, MORROW 10. Field and Pool or Exploratory Avas BUICTONIC FART, MORROW 4 Leastion of WCI (Poolage, Sec. T. R. M. or Survey Description) 11. County or Parish, State 5 Sec 3720S R27E NESW 1980FSL 1550FWL 11. County or Parish, State 1 12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION 8 Notice of Intent Akid?ze 9 Subsequent Report Casing Repair 10. Store of Completel Operation: Ckerty to lingering Reclamation Well Integrity 9 Subsequent Report Casing Repair Integrity and Abandon Temporarity Abandon 10. Store of Intent Casing Repair Proce Construction Reclamation BO ther region and Abandon 10. Store of Completel Operation: Ckerty to lingerion Prog Back Bo ther of the and Paris of the										
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12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION B Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Subsequent Report Change Plans Production (Start/Resume) Water Shut-Off Subsequent Report Change Plans Prove and Abandon Temporarity Abandon Temporarity Abandon 13. Describe Proposed or Completed Operation: Clearly state all pertinent deatals, including estimated starting due of any proposed work and approximate duration thereof. Hird proposition of the invest which the work will be performed or provide the baok No. on file will BLANBA. Required subsequent reports must be filed will be 10 and No. on file will BLANBA. Required subsequent reports must be filed will be 10 and No. on file will be 10 and Rear which the work will be performed or provide the baok No. on file will BLANBA. Required subsequent reports must be filed will be 10 and No. on file will be 10 and Rear Will the the and be 10 and the operator has the inter onter for the operator reports of the operator report and the operator reports and zones. Yas Anno Did and Ranch, Ltd. requests a fare permit for the below wells starting Septembor 26th through 0.02169 20th. Enterprise has a leek line and notified us today that we are having to fare. They along 30 mcfpd. Maralo Federal No. 5: 3		., R., M., or Survey Description)				11. County or Parish, State			
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Construction Cons		-		-				☑ Other Venting and/or Flari		
Image: Intervention Image:	· · · ·		_		_	-	Vent			
If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLMBIA. Required subsequired su			-		-	-	ng			
through October 26th. Enterprise has a leak line and notified us today that we are having to flare. They didn't give us a timetable to return, so we want to go ahead and request a month in case of unforeseen issues. Above well will be flaring 80 MCFPD. Maralo Federal No. 3: 30-015-30331, UL H, Sec 34, T20S, R27E. Avalon; Morrow field. 2150 FNL and 660 FEL. Flaring 30 mcfpd. Maralo Federal No. 5: 30-015-35695, UL H, Sec 35, T20S, R27E. Avalon; Morrow field. 2150 FNL and 660 FEL. Flaring 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL H, Sec 35, T20S, R27E. Burton Flat; Morrow field. 990 FNL and 1980 FWL. Flaring 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL H, Sec 35, T20S, R27E. Burton Flat; Morrow field. 990 FNL and 1980 FWL. Flaring 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL H, Sec 35, T20S, R27E. Burton Flat; Morrow field. 990 FNL and 1980 FWL. Flaring 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL H, Sec 35, T20S, R27E. Burton Flat; Morrow field. 990 FNL and 1980 FWL. Flaring 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL H, Sec 35, T20S, R27E. Burton Flat; Morrow field. 990 FNL and 1980 FWL. Flaring 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL H, Sec 35, T20S, R27E. Burton Flat; Morrow field. 990 FNL and 1980 FWL. Flaring 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL AND RANCH, JDN. JENNIFER SANCHEZ ON TUTITION SOF 4 TELED And 1980 FWL. Flating 50 mcfpd. Maralo Federal No. 5: 30-015-35695, UL AND RANCH, JDN. JENNIFER SANCHEZ ON TUTITION SOF 4 TELED And 1980 FWL. Flating 50 mcfpd. Title REGULATORY ANALHST Itile REGULATORY ANALHST Approved By Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant to conduct operations thereon. Approved By Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant to conduct operations thereon. Title 18 US.C. Section 1001 and Title 43 US.C. Section 1212, make it a crime for any person knowingly and willfully to make to any	If the proposal is to deepen direction. Attach the Bond under which the wo following completion of the involvec testing has been completed. Final Al	ally or recomplete horizontally, rk will be performed or provide l operations. If the operation re bandonment Notices must be fil	give subsurface locati the Bond No. on file v sults in a multiple corr	ons and measure with BLM/BIA. pletion or recon	ed and true v Required suppletion in a	vertical depths of all ubsequent reports m new interval. a For	pertinent mark ust be filed wit m 3160-4 must	ters and zones. hin 30 days be filed once		
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Mathematical Structure Subsequent Coparts Chen Ref 14. I hereby certify that the foregoing is true and correct. Electronic Submission #389929 verified by the BLM Well Information System For FASKEN OIL AND RAND RANDRACH, LTD., sent to the Carlsbad Committed to AFMSS for processing by JENNIFER SANCHEZ on T0/T172017.0 Name (Printed/Typed) ADDISON LONG Name (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST Signature (Electronic Submission) Date 09/26/2017 2017 Marce (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST 2017 Marce (Printed/Typed) ADDISON LONG Title 09/26/2017 2017 Marce (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST 2017 Marce (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST 2017 Marce (Printed/Typed) ADDISON LONG Title 09/26/2017 2017 Marce (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST 2017 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	Maralo Federal No. 5: 30-015 and 1980 EWL Elaring 50 mc	-35695, UL H, Sec 35, T2 fpd	0S, R27E. Burton	Flat; Morrow	field. 990	FNL				
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Name (Printed/Typed) ADDISON LONG Title REGULATORY ANAL/ST Signature (Electronic Submission) Date 09/26/2017 2017 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title RUFEAD OF LAND MAN GEMENT Approved By Title RUFEAD OF LAND MAN GEMENT 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 Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United	14. I hereby certify that the foregoing is	true and correct. Electronic Submission # For FASKEN OI	389929 verified by 1 L AND RANCH, LTI	D., sent to the	e Carlsbad			$\Delta / $		
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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> <u>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

- 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. <u>Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08"</u>.

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.
 - 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