Form 3160-5 (June 2015)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Artesia

FORM APPROVED OMB NO. 1004-0137

5. Lease Serial No. NMNM103877

SEE ATTACHED FOR

Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS

abandoned well. Use form 3	If Indian, Allottee or Tribe Name If Unit or CA/Agreement, Name and/or No.			
SUBMIT IN TRIPLICATE -				
Type of Well		8. Well Name and No. SLINGSHOT 35 FEDERAL 1		
Name of Operator FASKEN OIL AND RANCH, LTD. E-Mai	9. API Well No. 30-015-32278			
^{3a.} Address 6101 HOLIDAY HILL ROAD MIDLAND, TX 79707	3b. Phone No. (include area code) Ph: 432-687-1777	10. Field and Pool or Exploratory Area BURTON FLAT		
4. Location of Well (Footage, Sec., T., R., M., or Surve	11. County or Parish, State			
Sec 35 T20S R28E NWSE 2100FSL 1980FI	EL	EDDY COUNTY, NM		
	BOX(ES) TO INDICATE NATURE OF NOT			

TYPE OF SUBMISSION TYPE OF ACTION ■ Water Shut-Off □ Deepen ☐ Production (Start/Resume) ☐ Acidize ■ Notice of Intent ■ Well Integrity ☐ Alter Casing ☐ Hydraulic Fracturing □ Reclamation □ Subsequent Report Casing Repair ■ New Construction ☐ Recomplete Other Venting and/or Flari ☐ Plug and Abandon ☐ Final Abandonment Notice ☐ Change Plans ☐ Temporarily Abandon ☐ Convert to Injection ☐ Plug Back ☐ Water Disposal

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. 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 BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Fasken Oil and Ranch, Ltd. requests permission to flare the above well. DCP notified us starting 12/6/17 we will be shut in due to them replacing the valves on their discharge line. Plan to only be shut in for 1 day, but will go ahead and request the 45 days. Well will be flaring 29 mcfpd.

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even if 20	2HD					,	14/21.	THE DISTRICT
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14. I hereby certify that the foreg	going is true and correct. Electronic Submission #396189 ve For FASKEN OIL AND RA Committed to AFMSS for processi	ANCH, L	.TD/.,	sent t	the Carlsbad	X /		RECEIVED
Name (Printed/Typed) ADD	ISON GUELKER	Ti	ite	REG	ULATORY ANALY	bt \	/	//
Signature (Elec	tronic Submission)	р	ate	11/2	APPRO)	/ED/		//
	THIS SPACE FOR FED	ERAL	OR	STA	E OFFICE USE	2017	X	
_Approved By			itle	1	100	/ /		Date
Conditions of approval, if any, are	attached. Approval of this notice does not warrar il or equitable title to those rights in the subject le o conduct operations thereon.	ase	Office	BI	JREAD OF LAST NA LARLSBAD FIELD	NAGE/4EI OFF/CE		
	itle 43 U.S.C. Section 1212, make it a crime for a dulent statements or representations as to any main					arly depart	ment or a	gericy of the United

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED

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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