Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENTS IS DOOD FIGURE (**UNITED STATES**

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter and

5_Lease Serial No. NMNM118705

| 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. | |
| Type of Well | | | | Well Name and No. FOREHAND RANCH 35 FED 1H | |
| Name of Operator | | | | 9: API Well No. 30-015-43490 | |
| 3a. Address 5400 LBJ FREEWAY STE 150 DALLAS, TX 75240 | Phone No. (include area code): 972-371-5200 972-371-5201 | | 10. Field and Pool or Exploratory Area WOLFCAMP | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | 11. County or Parish, State | |
| Sec 35 T23S R27E Mer NMP SWSW 390FSL 2100FWL | | | | EDDY COUNTY, NM | |
| | ···· | | | | · |
| 12. CHECK THE AF | PROPRIATE BOX(ES) TO | INDICATE NATURE OF | NOTICE, | REPORT, OR OTI | IER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
| Notice of Intent | ☐ Acidize | □ Deepen | ☐ Producti | on (Start/Resume) | ■ Water Shut-Off |
| | ☐ Alter Casing | ☐ Hydraulic Fracturing | ☐ Reclama | ntion | ■ Well Integrity |
| ☐ Subsequent Report | Casing Repair | ■ New Construction | ☐ Recomplete | | Other |
| ☐ Final Abandonment Notice | Change Plans | □ Plug and Abandon | □ Temporarily Abandon | | Venting and/or Flari |
| | □ Convert to Injection | ☐ Plug Back | ☐ Water Disposal | | |
| BLM BOND NO. NMB0001079 SURETY BOND NO. RLB0019 Requesting to flare 05/14/18 - | 5172 | s plant/pipleine issues. | | | CORDS ONLY |
| | | | ! | RECEIVED (| 1118AB |
| er st | | | - [| MAY 3 1 2018 | |
| | | | DISTRI | CT II-ARTESIA O C | |
| 14. I hereby certify that the foregoing is | Electronic Submission #4131 | ICTION COMPANY, sent to | Information the Carlsba | System d | |
| Name (Printed/Typed) JOHN RO | MANO | Title AREA P | RODUCTIO | N MANAGER | |
| | | · | | | • |
| Signature (Electronic S | Submission) | Date 05/02/20 |)18 | <u>-</u> - | <u> </u> |
| · · · · · · · · · · · · · · · · · · · | THIS SPACE FOR F | EDERAL OR STATE (| OFFICE US | SE | |
| /s/ Approved By | Jonathon Shepard | Title PETR | OLEUM EI | igineer | 5/30/2018 |
| Conditions of approval, if any, are attached ertify that the applicant holds legal or equivalent would entitle the applicant to condu | | DC | · <u></u> | | |
| 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 ma | ke to any department or | agency of the United |

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Condition of Approval to Flare Gas

- 1. Approval not to exceed 180 days from date of submission unless otherwise specified in Sundry Notice.
- All flaring under this request is considered to be "avoidably lost":
 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".

Exceptions:

- a. 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".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.103 3179.105.