

UNITED STATES **Carlsbad Field Office**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT **OCD Artesia**

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 an abandoned well. Use form 3160-3 (APD) for such proposals.

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| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | 5. Lease Serial No. NMNM81952 |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator YATES PETROLEUM CORPORATION Contact: KRISTINA AGEE E-Mail: kristina_agee@eogresources.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 105 SOUTH FOURTH STREET ARTESIA, NM 88210 | 3b. Phone No. (include area code) Ph: 432-686-6996 | 8. Well Name and No. LLAMA ALL FED 1 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T22S R31E SWSW 330FSL 950FWL | | 9. API Well No. 30-015-28093-00-S1 |
| | | 10. Field and Pool or Exploratory Area CABIN LAKE DELAWARE |
| | | 11. County or Parish, State EDDY COUNTY, NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Venting and/or Flaring |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> 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 recompleat 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 recompleat 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.

EOG IS REQUESTING PERMISSION TO FLARE ON THE BELOW LISTED WELLS. GAS WILL BE MEASURED PRIOR TO FLARING 09/14/19-03/14/20 DUE TO MID-STREAM VOLATILITY

LLAMA BATTERY FL 90187084

LLAMA ALL FEDERAL 01 /DELAWARE 3001528093
LLAMA ALL FEDERAL 04 /DELAWARE 300534297
LLAMA ALL FEDERAL 9H /DELAWARE 3001537189
LLAMA ALL FEDERAL 10H /DELAWARE 3001537190

NM OIL CONSERVATION
ARTESIA DISTRICT

Accepted for record SEP 23 2019

NMOCDA RECEIVED

| | |
|--|------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #482217 verified by the BLM Well Information System For YATES PETROLEUM CORPORATION, sent to the Carlsbad Committed to AFMS for processing by PRISCILLA PEREZ on 09/06/2019 (19PP3235SE) | |
| Name (Printed/Typed) KRISTINA AGEE | Title SR. REGULATORY ADMINISTRATOR |
| Signature (Electronic Submission) | Date 09/06/2019 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------------|-------------------------|
| Approved By <u>/s/ Jonathon Shepard</u> | Title <u>RC</u> | Date <u>SEP 11 2019</u> |
| 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 <u>CFO</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 make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

BUREAU OF LAND MANAGEMENT

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

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost" per 43 CFR 3179.4(a)(2)(i – iii). Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free (43 CFR 3179.103(a)). 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, 3179.101 - 3179.104.