Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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SUNDRY NOTICES AND REPORTS ON WELLS Artesia

5. Lease Serial No. NMNM06245

Do not use this	s form for proposals to	drill or to ro ontor an	,			
abandoned well	6. If Indian, Allottee or Tribe Name					
SUBMIT IN TRIF	7. If Unit or CA/Agreement, Name and/or No.					
Type of Well ☑ Oil Well ☐ Gas Well ☐ Other	ост			8. Well Name and No MISTY 35 FEDE		
Name of Operator OXY USA WTP LP		JENNIFER A DUARTE larte@oxy.com		9. API Well No. 30-015-41413-	-00-S1	
a. Address HOUSTON, TX 77210		3b, Phone No. (include arc Ph: 713-513-6640	ea code)	10. Field and Pool, o LEO UNKNOWN	or Exploratory	
Location of Well (Footage, Sec., T.,	., R., M., or Survey Description	<u> </u>	<u>.</u>	11. County or Parish	, and State	
Sec 35 T18S R30E SESE 122 32.699902 N Lat, 103.934820	3FSL 386FEL			EDDY COUNT		
12. CHECK APPR	ROPRIATE BOX(ES) TO) INDICATE NATUR	E OF NOTICE, RI	EPORT, OR OTH	ER DATA	
TYPE OF SUBMISSION	•	TY	PE OF ACTION	F ACTION		
Notice of Inter-	☐ Acidize	☐ Deepen	☐ Product	tion (Start/Resume)	` Water Shut-Off	
☑ Notice of Intent	☐ Alter Casing	☐ Fracture Treat	Reclam	ation	☐ Well Integrity	
☐ Subsequent Report	Casing Repair	■ New Construction	on 🗀 Recomp	olete .	Other	
☐ Final Abandonment Notice	☐ Change Plans	Plug and Abanc	ion 🔲 Tempor	rarily Abandon	Venting and/or Flaring	
- I mai / maidominent / solice	Convert to Injection	□ Plug Back	□ Water I	Disposal	6	
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BUREAU OF LAND MANAGEMENT Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

- 1. Comply with NTL-4A requirements
- 2. Subject to like approval from NMOCD
- 3. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 4. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
- 5. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
- 6. This approval does not authorize any additional surface disturbance.
- 7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- 9. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per **NTL-4A II. A.** "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.