Form 3160-5 (June 2015)

NMOCD UNITED STATES DEPARTMENT OF THE INTERIOR Artesia

BUREAU OF LAND MANAGEMENT

FORM APPROVED

Expires: January 31, 201
5. Lease Serial No. NMLC061783B

Do not use this fo		ORTS ON WELLS to drill or to re-enter an APD) for such proposals.	6. If Indian, Allottee o	or Tribe Name			
SUBMIT IN TRIPLICATE - Other instructions on page 2			7. If Unit of CA/Agree	7. If Unit of CA/Agreement, Name and/or No.			
1. Type of Well		9 W-V N					
☑ Oil Well ☐ Gas W	_	8. Wen Ivame and Ivo.	8. Well Name and No. MANN 3 FEDERAL 1				
2. Name of Operator LIME ROCK RE	SOURCES II-A,L.P.	9, API Well No. 30-01	9. API Well No. 30-015-30410				
3a. Address 1111 BAGBY STREET	**************************************	3b. Phone No. (include area code)	10. Field and Pool or I	10. Field and Pool or Exploratory Area			
HOUSTON, TX 77002	~	(575) 365-9724	REDLAKE; GLORI	REDLAKE; GLORIETA -YESO			
4. Location of Well (Footage, Sec., T.,R	"M., or Survey Description	1) .	11, Country or Parish,	11. Country or Parish, State			
2178' FSL & 330' FWL; Section 03	-18\$-27Ë .	EDDY COUNTY, N	EDDY COUNTY, NM				
12. CHEC	K THE APPROPRIATE I	BOX(ES) TO ÍNDICATE NATURE O	OF NOTICE, REPORT OR OTH	IER DATA			
TYPE OF SUBMISSION TYPE OF			OF ACTION	ACTION			
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Hydraulic Fracturing New Construction Plug and Abandon Plug Back	Production (Start/Resume) Reclamation Recomplete Temporarily Abandon Water Disposal	Water Shut-Off Well Integrity Other Venting and/or Flaring`			
	ly or recomplete horizontal be performed or provide the ns. If the operation results ices must be filed only after provider Natural Gas Plant 201/18/2016	lly, give subsurface locations and me	asured and true vertical depths of	of all pertinent markers and zones. Attach			

Accepted for record 1300 19-110

SEE ATTACHED FOR CONDITIONS OF APPROVAL

0,9-17.14						,	
				·			
14. I hereby certify that the foregoing is true and correct. Name (<i>Printed/Typed</i>) MICHAEL BARRETT	Title	PRODUCTION S	SUPERINT	ENDENT			/
Signature Mull	Date			/ P 01/13/201	6'//\		
THE SPACE FOR FED	ERAL	OR STATE	OFICE	ISE	// X	. ,	
Approved by		Title		MAR 25	2016	M	M
Conditions of approval, if any, are attached. Approval of this notice does not warrancertify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.		Office	RE C,	TOF LAND FIEL) OFFICE		
Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for a any false, fictitious or fraudulent statements or representations as to any matter with			willfully to	make to any depa	artment or ager	ncy of the Unite	States
(Instructions on page 2)		-()				//	



Lease # NMLC061783B

Mann 3 Federal Battery

Mann 3 Federal #1 Yeso ✓	30-015-30410
Mann 3 Federal #1 SA 🗸	30-015-30410
Mann 3 Federal #2 🗸	30-015-35772
Mann 3 Federal #3 Yeso ✓	30-015-30442
Mann 3 Federal #3 SA 🗸	30-015-30442
Mann 4 Federal #4 🗸	30-015-35936

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.