Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD	
Artesia	

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

5. Lease Serial No. NMLC029395B

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/Agree	ement, Name and/or No.		
Type of Well ☐ Gas Well ☐ Other				8. Well Name and No. TURNER B 63			
2. Name of Operator Contact: MINDY K KOTESKY LINN OPERATING, INC. E-Mail: MKOTESKY@LINNENERGY.COM				9. API Well No. 30-015-05450			
3a. Address 600 TRAVIS SUITE 1400 HOUSTON, TX 77002	Ph: 281	Phone No. (include area code) 10. Field and Pool or Exploratory Area GRAYBURG JACKSON;SR-Q-G-S C: 832-426-5976					
4. Location of Well (Footage, Sec., T		11. County or Parish, State					
Sec 29 T17S R31E Mer 6PM 32.800128 N Lat, 103.889694	EDDY COUNTY . COUNTY , NM						
12. CHECK THE A	PPROPRIATE BOX(ES) TO INDI	CATE NATURE OF	F NOTICE,	REPORT, OR OTH	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	□ Recomp	lete	Other		
☐ Final Abandonment Notice	☐ Change Plans ☐	☐ Change Plans ☐ Plug and Abandon		arily Abandon	Venting and/or Flari		
	☐ Convert to Injection ☐	Plug Back	☐ Water D	isposal	···5		
LINN OPERATING, INC. RESPECTIVELY REQUESTS TO FLARE FROM 5/1/17 TO 7-29-17 AT 76 MCF/D FROM THE TURNER B (SOUTH) BATTERY DUE TO REQUEST FROM FRONTIER GAS PLANT TO SHUT-IN BATTERY DUE TO HIGH NITROGEN CONTENT IN GAS. PLEASE SEE ATTACHED LIST OF WELLS FRO THIS BATTERY. NM OIL CONSERVATION ARTESIA DISTRICT WHICH ARE SEE ATTACHED LIST OF WELLS FRO THIS BATTERY. RECEIVED							
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #375260 ver For LINN OPERATING Committed to AFMSS for processing	3, INC., sent to the Ca	arlsbad	•			
Name (Printed/Typed) MINDY K	KOTESKY	Title REGUL/	ATORY SPE	CIALIST			
Signature (Electronic S	Submission)	Date 05/08/20	017				
	THIS SPACE FOR FEDE	RAL OR STATE (OFFICE US	SE			
Approved By	NATO & RETAIL	Title PETRO	LEUM ENG	MEER	JUL 1 7 2017		
	d. Approval of this notice does not warrant nitable title to those rights in the subject least act operations thereon.						
Citle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a crime for ar statements or representations as to any matt	ny person knowingly and er within its jurisdiction.	willfully to ma	ke to any department or	agency of the United		

TURNER B SOUTH BATTERY

API	Well Name	Well Number	Туре	Lease
30-015-05450	TURNER 8	#063	Oil	Federal
30-015-26388	TURNER B	#080	Oil	Federal
30-015-26389	TURNER 8	#081	Oil	Federal
30-015-26385	TURNER B	#082	Oil	Federal
30-015-26390	TURNER B	#083	Oii	Federal
30-015-26391	TURNER B	#084	Oil	Federal
30-015-26386	TURNER B	#085	Oil	Federal
30-015-26392	TURNER B	#086	Oil	Federal
30-015-26387	TURNER B	#087	Oil	Federal
30-015-26571	TURNER B	#088	Oil	Federal
30-015-26595	TURNER B	#089	Oil	Federal
30-015-26603	TURNER B	#091	Oil	Federal
30-015-26596	TURNER B	#092	Oil	Federal
30-015-26611	TURNER B	#093	Oil	Federal
30-015-26620	TURNER B	#098	Oil	Federal
30-015-26621	TURNER B	#099	Oil	Federal
30-015-26617	TURNER B	#100	Oil	Federal
30-015-28895	TURNER 8	#107	Oil	Federal
30-015-28984	TURNER B	#108	Oil	Federal
30-015-29571	TURNER B	#109	Oil	Federai
30-015-29572	TURNER B	#110	Oil	Federal
30-015-29530	TURNER B	#111	Oil	Federal
30-015-29573	TURNER B	#113	Oil	Federal
30-015-29187	TURNER B	#114	Oil	Federal
30-015-28920	TURNER B	#118	Oil	Federal
30-015-29954	TURNER B	#137	Oil	Federal

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 without incurring a royalty 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). <u>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.</u>
- 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-

<u>bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true</u> &n=sp43.2.3170.3179&r=SUBPART