ł	UNITED STATES EPARTMENT OF THE D BUREAU OF LAND MANA	NTERIOR Artesia	OMB N Expires: J	APPROVED NO. 1004-0137 January 31, 2018	
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter			5. Lease Serial No. NMNM111946		
abandoned well. Use form 3160-3 (APD) for such proposals.			6. If Indian, Allottee	6. If Indian, Allottee or Tribe Name	
SUBMIT IN	TRIPLICATE - Other ins	tructions on page 2	7. If Unit or CA/Agre	eement, Name and/or l	
1. Type of Well S Oil Well Gas Well O	<u></u>	8. Well Name and No. NOOSE FEDERAL COM 5H			
2. Name of Operator COG OPERATING LLC	Contact: E-Mail: kcastillo@	KANICIA CASTILLO concho.com	9. API Well No. 30-015-21066		
3a. Address 600 W ILLINOIS AVE MIDLAND, TX 79701		3b. Phone No. (include area code Ph: 432-685-4332		10. Field and Pool or Exploratory Area N SEVEN RIVERS	
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description	<u> </u>	11. County or Parish,	11. County or Parish, State	
Sec 35 T19S R25E Mer NM	9 1980FNL 1980FWL		EDDY COUN		
12. CHECK THE A	APPROPRIATE BOX(ES)	TO INDICATE NATURE O	F NOTICE, REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
Notice of Intent		Deepen	Production (Start/Resume)	🗖 Water Shut-0	
—	□ Alter Casing	Hydraulic Fracturing	Reclamation	🗖 Well Integrit	
Subsequent Report	Casing Repair	New Construction	Recomplete	Other	
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Abandon	Venting and/or ng	
Noose Federal #1H API# 30-015-35416 Noose Federal Com #4H API# 30-015-36537 Noose Federal Com #5H API# 30-015-21066 Noose Federal Com #7H API# 30-015-37285 Noose Federal Com #8H API# 30-015-37284 200 Oil 550 MCF Requesting 90 day flare approval from 5/24/17 to 8/22/17. Due to: Unplanned midstream curtailment, plant maintenance.				UNDERVAIL	
Noose Federal Com #5H AP Noose Federal Com #7H AP Noose Federal Com #8H AP 200 Oil 550 MCF Requesting 90 day flare appr	I# 30-015-21066√ I# 30-015-37285 I# 30-015-37284 roval from 5/24/17 to 8/22/	17. nance.	ARTES AB JUL MAN	CONSERVATIC SIA DISTRICT 19 2017 CEIVED	
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## 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</u>. <u>Report</u> <u>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.
  - i. 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).
  - 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; <u>https://www.ecfr.gov/cgi-</u>

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