

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## NM OIL CONSERVATION

ARTESIA DISTRICT

JUL 19 2017

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018SUNDRY 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.*5. Lease Serial No.  
NMNM01119

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
AVALON DELAWARE CTB SEE BELOW9. API Well No.  
30-015-2433110. Field and Pool or Exploratory Area  
AVALON; DELAWARE11. County or Parish, State  
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
XTO ENERGY INC.Contact: PATTY R URIAS  
E-Mail: patty\_urias@xtoenergy.com3a. Address  
500 W. ILLINOIS SUITE 100  
MIDLAND, TX 797013b. Phone No. (include area code)  
Ph: 432-620-4318  
Fx: 432-618-3530

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 4 T25S R29E Mer NMP 180FSL 171FWL

## 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
	<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.

## REQUEST FOR FLARE METERING EXCEPTION

## AVALON DELAWARE TANK BATTERY

Because there is no flare meter at the Avalon Delaware Unit Tank Battery, XTO Energy Inc. is requesting the BLM acknowledge that its method for estimating volumes of flared production from Avalon Delaware Unit TB complies with NTL-4A and, therefore, that no flare meter is required at the Avalon Delaware Unit TB.

XTO estimates the flare start date based on a comparison of the metered sales volume to the daily average sales volumes. Specifically, XTO divides the theoretical flare volume (derived by the difference between the average sales volumes and the actual sales volume for a given duration) by

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #376751 verified by the BLM Well Information System For XTO ENERGY INC., sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 05/24/2017 ()	
Name (Printed/Typed) PATTY R URIAS	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 05/19/2017
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By	Title
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	
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)

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

**Additional data for EC transaction #376751 that would not fit on the form**

**32. Additional remarks, continued**

the average daily sales volume and then multiplies that figure by 24 to determine an estimated number of hours.

The sales meter is the first meter for the production (there is no separate production meter). XTO determines the flared volumes by comparing the sales volume during the period of flaring to the average sales volume. Specifically, XTO subtracts the actual sales volume from an average of sales volume (both figures taken from the sales meter). XTO will use a rolling 12 month production average as requested by the BLM for future sundries, as we as revise our prior sundries and OGORS based on the 12 month average.

**ASSOCIATED WELLS:**

AVALON DELAWARE UNIT #501 30-015-24331 ✓  
AVALON DELAWARE UNIT #503 30-015-28594 ✓  
AVALON DELAWARE UNIT #505 30-015-28677 ✓  
AVALON DELAWARE UNIT #507 30-015-28678 ✓  
AVALON DELAWARE UNIT #509 30-015-54332 ✓  
AVALON DELAWARE UNIT #511 30-015-24524 ✓  
~~AVALON DELAWARE UNIT #514 30-015-24194~~ ✓  
AVALON DELAWARE UNIT #515 30-015-26370 ✓  
AVALON DELAWARE UNIT #516 30-015-28665 ✓  
AVALON DELAWARE UNIT #517 30-015-24337 ✓  
AVALON DELAWARE UNIT #520 30-015-28664 ✓  
AVALON DELAWARE UNIT #522 30-015-02434 ✓  
AVALON DELAWARE UNIT #523 30-015-28910 ✓  
AVALON DELAWARE UNIT #530 30-015-24335 ✓  
AVALON DELAWARE UNIT #533 30-015-28667 ✓  
AVALON DELAWARE UNIT #536 30-015-24525 ✓  
AVALON DELAWARE UNIT #537 30-015-28683 ✓  
AVALON DELAWARE UNIT #539 30-015-28682 ✓  
AVALON DELAWARE UNIT #540 30-015-24386 ✓  
AVALON DELAWARE UNIT #542 30-015-28684 ✓  
AVALON DELAWARE UNIT #543 30-015-24376 ✓  
AVALON DELAWARE UNIT #546 30-015-24048 ✓  
AVALON DELAWARE UNIT #548 30-015-24373 ✓  
AVALON DELAWARE UNIT #562 30-015-24377 ✓  
AVALON DELAWARE UNIT #570 30-015-28666 ✓  
AVALON DELAWARE UNIT #571 30-015-28668 ✓

Wiw?

ABD 9/03/2015

Wiw?

# Avalon Delaware Unit

Month/Year	Avg Daily total	12 Mo Hourly Avg	Rolling 12 Mo Daily Avg
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## 2012

January	273	11
February	253	11
March	221	9
April	264	11
May	284	12
June	288	12
July	283	12
August	270	11
September	271	11
October	255	11
November	237	10
December	210	9
<b>12 Month Total</b>		<b>3109</b>

## 2013

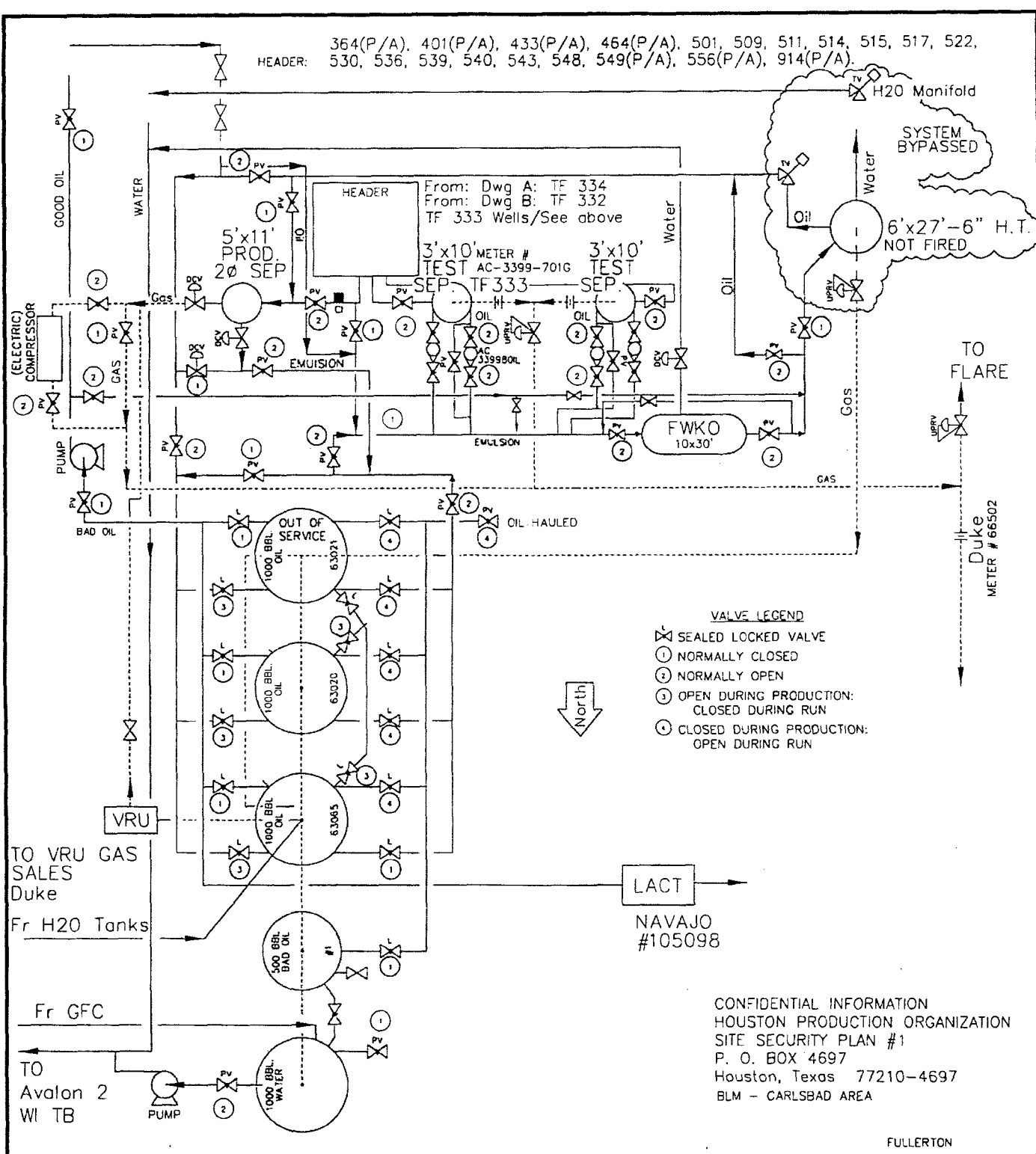
January	219	11	255	Total Rolling 12 Months February-12	to January-13
February	250	11	254	Total Rolling 12 Months March-12	to February-13
March	232	11	255	Total Rolling 12 Months April-12	to March-13
April	281	11	257	Total Rolling 12 Months May-12	to April-13
May	270	11	256	Total Rolling 12 Months June-12	to May-13
June	137	10	243	Total Rolling 12 Months July-12	to June-13
July	247	10	240	Total Rolling 12 Months August-12	to July-13
August	190	10	233	Total Rolling 12 Months September-12	to August-13
September	248	10	231	Total Rolling 12 Months October-12	to September-13
October	247	10	231	Total Rolling 12 Months November-12	to October-13
November	217	10	229	Total Rolling 12 Months December-12	to November-13
December	208	10	229	Total Rolling 12 Months January-13	to December-13
<b>12 Month Total</b>		<b>2746</b>			

## 2014

January	237	10	230	Total Rolling 12 Months February-13	to January-14
February	218	9	228	Total Rolling 12 Months March-13	to February-14
March	216	9	226	Total Rolling 12 Months April-13	to March-14
April	216	9	221	Total Rolling 12 Months May-13	to April-14
May	223	9	217	Total Rolling 12 Months June-13	to May-14
June	242	9	226	Total Rolling 12 Months July-13	to June-14
July	249	9	226	Total Rolling 12 Months August-13	to July-14
August	257	10	232	Total Rolling 12 Months September-13	to August-14
September	224	10	230	Total Rolling 12 Months October-13	to September-14
October	207	9	226	Total Rolling 12 Months November-13	to October-14
November	240	10	228	Total Rolling 12 Months December-13	to November-14
December	281	10	234	Total Rolling 12 Months January-14	to December-14
<b>12 Month Total</b>		<b>2810</b>			

# Avalon Delaware Unit

Month/Year	Avg Daily total	12 Mo Hourly Avg	Rolling 12 Mo Daily Avg			
2015						
January	288	10	238	Total Rolling 12 Months	February-14	to January-15
February	334	10	248	Total Rolling 12 Months	March-14	to February-15
March	385	11	262	Total Rolling 12 Months	April-14	to March-15
April	385	12	276	Total Rolling 12 Months	May-14	to April-15
May	444	12	295	Total Rolling 12 Months	June-14	to May-15
June	444	13	312	Total Rolling 12 Months	July-14	to June-15
July	537	14	336	Total Rolling 12 Months	August-14	to July-15
August	507	15	356	Total Rolling 12 Months	September-14	to August-15
September	535	16	382	Total Rolling 12 Months	October-14	to September-15
October	519	17	408	Total Rolling 12 Months	November-14	to October-15
November	458	18	426	Total Rolling 12 Months	December-14	to November-15
December	440	18	440	Total Rolling 12 Months	January-15	to December-15
12 Month Total	5276					
2016						
January	429	19	451	Total Rolling 12 Months	February-15	to January-16
February	418	19	458	Total Rolling 12 Months	March-15	to February-16
March	440		463	Total Rolling 12 Months	April-15	to March-16
April	433	19	467	Total Rolling 12 Months	May-15	to April-16
May	416	19	465	Total Rolling 12 Months	June-15	to May-16
June	415	19	462	Total Rolling 12 Months	July-15	to June-16
July	406	19	451	Total Rolling 12 Months	August-15	to July-16
August	386	18	441	Total Rolling 12 Months	September-15	to August-16
September	388	18	429	Total Rolling 12 Months	October-15	to September-16
October	377	17	417	Total Rolling 12 Months	November-15	to October-16
November	337	17	407	Total Rolling 12 Months	December-15	to November-16
December	316	17	397	Total Rolling 12 Months	January-16	to December-16
12 Month Total	4761					
2017						
January	310	16	387	Total Rolling 12 Months	February-16	to January-17
February	284	16	376	Total Rolling 12 Months	March-16	to February-17
March	0	0	0	Total Rolling 12 Months	April-16	to March-17
April	0	0	0	Total Rolling 12 Months	May-16	to April-17
May	0	0	0	Total Rolling 12 Months	June-16	to May-17
June	0	0	0	Total Rolling 12 Months	July-16	to June-17
July	0	0	0	Total Rolling 12 Months	August-16	to July-17
August	0	0	0	Total Rolling 12 Months	September-16	to August-17
September	0	0	0	Total Rolling 12 Months	October-16	to September-17
October	0	0	0	Total Rolling 12 Months	November-16	to October-17
November	0	0	0	Total Rolling 12 Months	December-16	to November-17
December	0	0	0	Total Rolling 12 Months	January-17	to December-17
12 Month Total	594					



NOTES: LSE. # NM-01119, 1320' FNL, 2640' FEL

**XTO-PB-AVLN-00CTB-LFD-000-1217-1**

AVALON DELAWARE UNIT  
SEC. 31, T20S, R28E

CAPS 6233/726,725

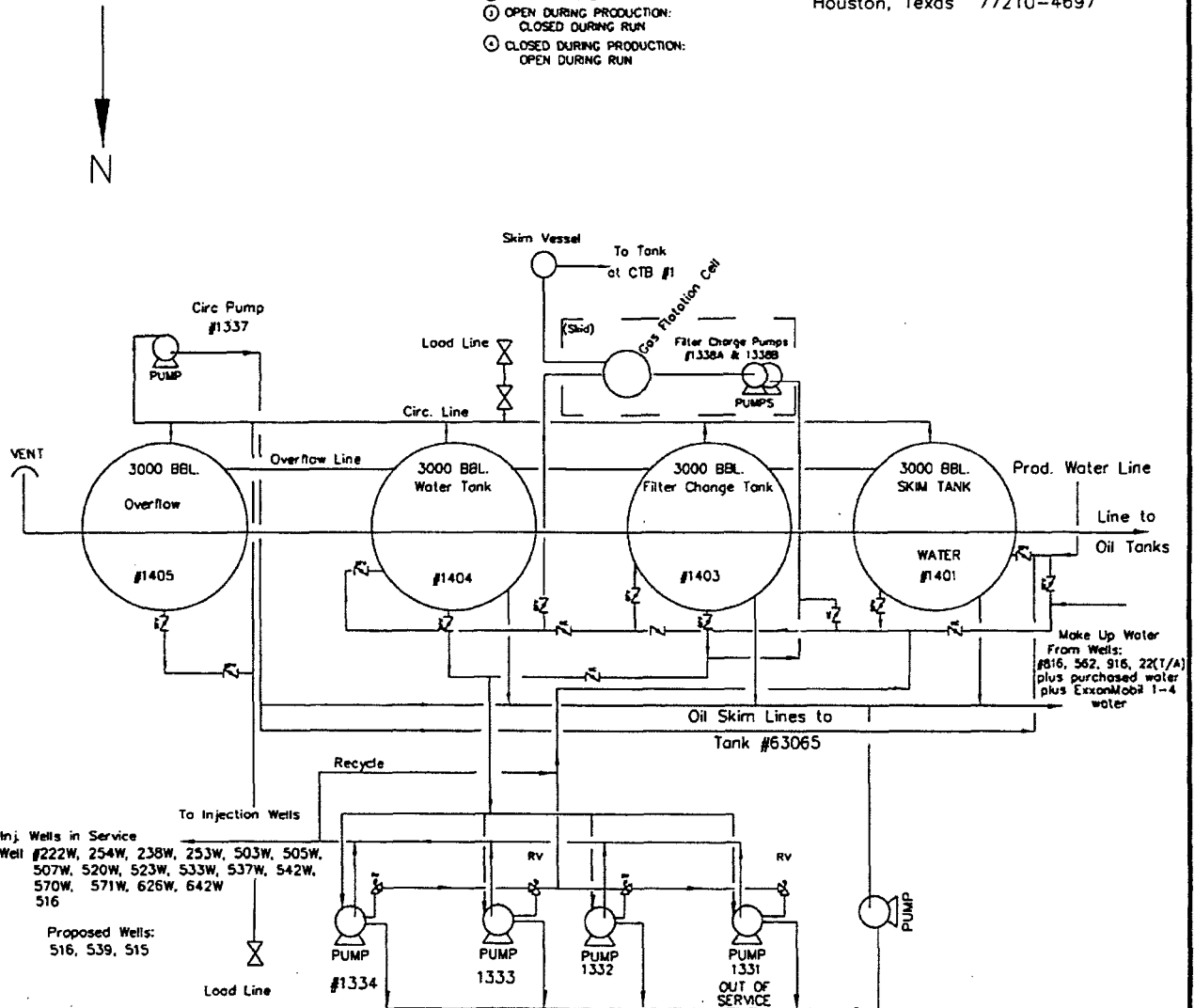
48	RCM	2011 ANNUAL REVIEW WELL 364 P&A'd	11/11	RS	PREPARED BY: SRP 01/18/96	EXXON  EXXON COMPANY USA  MIDLAND PRODUCTION ORGANIZATION	LEASE FLOW DIAGRAM  AVALON CTB 1  AVALON  EDDY COUNTY, NM					
45	RCM	WELL & FLOWLINE UPDATES	3/09	CFF	ENGR.							
46	RCM	2009 ANNUAL REVIEW CAPS # UPDATE	11/09	JCG	ENGR.							
47	RCM	2010 ANNUAL REVIEW BAD OIL CIRC TO FWKO	1/11	JAC								
					AFE CONTROL	SCALE	REV.	SIZE	DIV.	FIELD	LEASE	DWG.

JAE: S:\FACILITIES - Permian\01\_Facilities Document Database\Document Control\Avalon\_AVLN\Documents\Lease Flow Diag\Delaware Unit\XTO-PB-AVLN-00CTB-LFD-000-1217-1.dwg

BLM - CARLSBAD AREA

CONFIDENTIAL INFORMATION  
HOUSTON PRODUCTION ORGANIZATION  
SITE SECURITY PLAN #1  
P. O. BOX 4697  
Houston, Texas 77210-4697

- VALVE LEGEND**
- ⊗ SEALED LOCKED VALVE
  - ⊙ NORMALLY CLOSED
  - ⊙ NORMALLY OPEN
  - ⊙ OPEN DURING PRODUCTION:  
CLOSED DURING RUN
  - ⊙ CLOSED DURING PRODUCTION:  
OPEN DURING RUN



Inj. Wells in Service  
Well #222W, 254W, 238W, 253W, 503W, 505W,  
507W, 520W, 523W, 533W, 537W, 542W,  
570W, 571W, 626W, 642W  
516

Proposed Wells:  
516, 539, 515

ADD 516 TO INJ. SYSTEM  
ADD 515 TO PROPOSED WELLS

FULLERTON

NOTES:

XTO-PB-AVLN-CTBWI-LFD-000-1220

17	RCM	2010 ANNUAL REVIEW NO CHANGES	1/11	SP	PREPARED BY: JCG/RSB 10/96	EXXON EXXON COMPANY USA MIDLAND PRODUCTION ORGANIZATION	LEASE FLOW DIAGRAM <b>AVALON WI TB AT AVALON TB 1</b>						
18	RCM	2011 ANNUAL REVIEW NO CHANGES	11/11	RS	ENGR.		AVALON	EDDY COUNTY, NM					
15	RCM	2008 ANNUAL REVIEW NO CHANGES	9/08	JAC	ENGR.	AFE CONTROL	SCALE	REV.	SIZE	DIV.	FIELD	LEASE	DWG
16	RCM	2009 ANNUAL REVIEW PUMP 1331 O.O.S.	11/09	JCG	ENGR.		NONE	18	A	AC	3399	27227	F
NO.	BY	REVISION	DATE	APP.									

E. NAME: C:\Temp\AcPublish\_5836\ac272271.dwg

**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 temporary emergency flare 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). 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.
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).
  - 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-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43.2.3170.3179&r=SUBPART>