Form 3160-5 (June 2015)	UNITED STATES PARTMENT OF THE II JREAU OF LAND MANA NOTICES AND REPO	NTERIOR GEMENT	NMOCD Artesia ELLS		FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMLC029395A			
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.						6. If Indian, Allottee or Tribe Name		
	SUBMIT IN 1	7. If Unit or CA/Agreement, Name and/or No.						
1. Type of Well	as Well 🗖 Oth	er			8. Well Name and No. TURNER A 38A			
2. Name of Operator LINN OPERATI		Contact: E-Mail: MKOTESK		9. API Well No. 30-015-28769				
3a. Address 600 TRAVIS SU HOUSTON, TX			. (include area code) 0-4208 5-5976		10. Field and Pool or Exploratory Area GRAYBURG JACKSON;SR-Q-G-S			
	, R., M., or Survey Description			11. County or Parish, State				
Sec 18 T17S R3	31E Mer 6PM	NWSW 1400FSL 900FW			EDDY COUNTY	COUNTY, NM		
12. CH	ECK THE AF	PROPRIATE BOX(ES)	TO INDICA	TE NATURE O	F NOTICE,	REPORT, OR OTH	ER DATA	
TYPE OF SUB	MISSION	TYPE OF ACTION						
Notice of Inten	t	AcidizeAlter Casing	🗖 Dee	pen Iraulic Fracturing	Product Reclam	tion (Start/Resume) ation	Water Shut-OffWell Integrity	
□ Subsequent Re	•	Casing Repair	—	v Construction	Recom	·	🛿 Other Venting and/or Flari	
Final Abandon	ment Notice	 Change Plans Convert to Injection 	🗖 Plug 🗖 Plug	g and Abandon g Back	□ Tempor □ Water I	rarily Abandon Disposal	ng	
TURNER A 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 JUL 19 2017 RECEIVED								
14. I hereby certify that	at the foregoing is				<u></u>			
		For LINN O	PERATING, IN	d by the BLM Well Information System IC., sent to the Carlsbad DEBORAH MCKINNEY on 05/10/2017 ()				
Name (Printed/Typed) MINDY K KOTESKY				Title REGULATORY SPECIALIST				
Signature (Electronic Submission)				Date 05/08/2017				
		THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE	<u> </u>	
(*)	nir 1983.) i	in Vitte B. Mithins		Title PETRO	EU MENO	Sineer	Pate 7 2017	
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				
		U.S.C. Section 1212, make it a tatements or representations as			willfully to m	ake to any department or a	agency of the United	
(Instructions on page 2)	** OPERAT	OR-SUBMITTED ** O	PERATOR		SEE A	TOR-SUBMITTED	FOR	

TURNER A BATTERY

ΑΡΙ	Well Name	Well Number	Туре	LEASE
30-015-28769	TURNER A	#38	Oil	Federal
30-015-28770	TURNER A	#39	Oil	Federal
30-015-28792	TURNER A	#40	Oil	Federal
30-015-28836	TURNER A	#41	Oil	Federal
30-015-28916	TURNER A	#42	Oil	Federal
30-015-28793	TURNER A	#43	Oil	Federal
30-015-28771	TURNER A	#44	Oil	Federal
30-015-28890	TURNER A	#45	Oil	Federal
30-015-28891	TURNER A	#46	Oil	Federal
30-015-28917	TURNER A	#47	Oil	Federal
30-015-28869	TURNER A	#48	Oil	Federal
30-015-28837	TURNER A	#49	Oil	Federal
30-015-28772	TURNER A	#50	Oil	Federal
30-015-28758	TURNER A	#51	Oil	Federal
30-015-28773	TURNER A	#53	Oil	Federal
30-015-28918	TURNER A	#55	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 <u>without incurring a</u> <u>royalty</u> 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) Baselania metales are supremulated by the statistical sector.
 - (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".
- 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. <u>Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "08".</u>

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>. Report <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).
 - 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; <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