Form 3160-5 (June 2015)	UNITED STATE			(APPROVED NO. 1004-0137	
		EPARTMENT OF THE INTERIOR Artesia		Expires: January 31, 2018 5. Lease Serial No.	
SUNDRY 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.			NMLC062376		
			6. If Indian, Allottee	or Tribe Name	
SUBMIT	IN TRIPLICATE - Other ins	tructions on page 2	7. If Unit or CA/Agr	eement, Name and/or No	
 Type of Well Oil Well Gas Well Other 			8. Well Name and No. ANTIWEIL ANU FEDERAL 4H		
2. Name of Operator EOG Y RESOURCES INC	Contact: CORPORATEDMail: Kay_Mado	KAY MADDOX dox@EOGRESOURCES.com	9. API Well No. 30-015-40426	30-015-40426	
3a. Address PO BOX 2267 MIDLAND, TX 79702		3b. Phone No. (include area code) Ph: 432-686-3658		10. Field and Pool or Exploratory Area PARKWAY-BONE SPRING	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description		n)	11. County or Parish	11. County or Parish, State	
Sec 29 T19S R30E 860F5	SL 660FWL		EDDY COUNT	EDDY COUNTY, NM	
12. CHECK TH	E APPROPRIATE BOX(ES)) TO INDICATE NATURE O	F NOTICE, REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION		TYPE OF ACTION			
Notice of Intent	Acidize	Deepen	Production (Start/Resume)	□ Water Shut-Of	
_	□ Alter Casing	Hydraulic Fracturing	□ Reclamation	Well Integrity	
Subsequent Report	Casing Repair	New Construction	□ Recomplete	Other	
Final Abandonment Notice	e 🖸 Change Plans	Plug and Abandon	Temporarily Abandon	ng	
	Convert to Injection	Plug Back	Water Disposal		
pressures in Agave lines a reported as per BLM requ Flaring will be at the Antw Antweil ANU Federal #3H Antweil ANU Federal #4H This circumstantial flare c	and will only be flaring as nee irements eil ANU battery which include : 30-015-40523 : 30-015-40426	period and more than the 144 o	ered and NM OIL C ARTES	ONSERVATION DIA DISTRICT 19 2017	
			RE	CEIVED	
14. I hereby certify that the forego Name (Printed/Typed) KAY I	Electronic Submission # For EOG Y RESOU Committed to AFMSS for	#377236 verified by the BLM Wel JRCES INCORPORATED, sent t processing by DEBORAH MCKI Title REGUL	to the Carlsbad		
Signature (Electro	onic Submission)	Date 05/24/2			
	THIS SPACE FO	OR FEDERAL OR STATE	OFFICE USE		
		Title PETRG	LEUM ENGINEER	JUL 14	
Conditions of approval, if any, are at certify that the applicant holds legal which would entitle the applicant to	or equitable title to those rights in th		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Title 18 U.S.C. Section 1001 and Tit	le 43 U.S.C. Section 1212, make it a	a crime for any person knowingly and	willfully to make to any department o	r agency of the United	
States any false, fictitious or fraudu	them statements of representations a	s to any matter whill its julistiction.			

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> 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>. 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.
 - 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