

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

**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.*

5. Lease Serial No. Multiple--See Attached
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No. NMNM88525X
8. Well Name and No. Multiple--See Attached
9. API Well No. Multiple--See Attached
10. Field and Pool or Exploratory Area Multiple--See Attached
11. County or Parish, State EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator COG OPERATING LLC	
Contact: KANICIA CASTILLO E-Mail: kcastillo@concho.com	
3a. Address 600 W ILLINOIS AVENUE MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-685-4332
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached	

**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	Venting and/or Flaring
	<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 recomplete 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 recompletion 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.

COG Operating LLC, respectfully request to flare at the Burch Keely Unit 18A Battery.  
Number of wells to flare: (26)  
BURCH-KEELY UNIT #550 30-015-39523  
BURCH-KEELY UNIT #565 30-015-39568  
BURCH-KEELY UNIT #573 30-015-40269  
BURCH-KEELY UNIT #559 30-015-39317  
BURCH-KEELY UNIT #552 30-015-39443  
BURCH-KEELY UNIT #570 30-015-40267  
BURCH-KEELY UNIT #412 30-015-36182  
BURCH-KEELY UNIT #561 30-015-39318  
BURCH-KEELY UNIT #934H 30-015-42758  
BURCH-KEELY UNIT #939H (FKA 18-2H) 30-015-39573

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

AUG 01 2017

**SEE ATTACHED FOR RECEIVED  
CONDITIONS OF APPROVAL** *AB 8/1/17*

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #355682 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 10/24/2016 (17DLM0063SE)</b>	
Name (Printed/Typed) KANICIA CASTILLO	Title PREPARER
Signature (Electronic Submission)	Date 10/24/2016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>OMAR ALOMAR</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>07/28/2017</u>
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 Carlsbad

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)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #355682 that would not fit on the form**

**5. Lease Serial No., continued**

NMLC028784B  
 NMLC028784C  
 NMLC028793A  
 NMLC028793C

**Wells/Facilities, continued**

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 411	30-015-36263-00-S1	Sec 18 T17S R30E Lot 2 1910FNL 990FWL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 412	30-015-36182-00-S1	Sec 18 T17S R30E SWNE 1940FNL 1363FEL 32.836557 N Lat, 104.007239 W Lon
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 417	30-015-36181-00-S1	Sec 18 T17S R30E SENW 1708FNL 2517FWL 32.837193 N Lat, 104.011426 W Lon
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 548	30-015-39442-00-S1	Sec 18 T17S R29E Lot 1 440FNL 460FWL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 549	30-015-39522-00-S1	Sec 18 T17S R30E Lot 1 330FNL 1000FWL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 550	30-015-39523-00-S1	Sec 18 T17S R30E NENW 330FNL 1650FWL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 552	30-015-39443-00-S1	Sec 18 T17S R30E NENW 1120FNL 2480FWL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 554	30-015-39755-00-S1	Sec 18 T17S R30E NENE 260FNL 1108FEL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 555	30-015-39566-00-S1	Sec 18 T17S R30E NENE 330FNL 330FEL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 556	30-015-39907-00-S1	Sec 18 T17S R30E Lot 1 1004FNL 457FWL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 557	30-015-39316-00-S1	Sec 18 T17S R30E Lot 1 1050FNL 990FWL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 559	30-015-39317-00-S1	Sec 18 T17S R30E NENW 1120FNL 2480FWL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 561	30-015-39318-00-S1	Sec 18 T17S R30E NWNE 990FNL 1650FEL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 563	30-015-39444-00-S1	Sec 18 T17S R30E NENE 940FNL 330FEL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 564	30-015-39869-00-S1	Sec 18 T17S R30E Lot 2 1713FNL 355FWL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 565	30-015-39568-00-S1	Sec 18 T17S R30E SENE 1650FNL 990FEL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 566	30-015-39870-00-S1	Sec 18 T17S R30E SENW 1650FNL 1650FWL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 570	30-015-40267-00-S1	Sec 18 T17S R30E NESE 2310FSL 990FEL
NMNM88525X	NMLC028784B	BURCH KEELY UNIT 572	30-015-40268-00-S1	Sec 18 T17S R30E SENW 2492FNL 2257FWL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 573	30-015-40269-00-S1	Sec 18 T17S R30E SWNE 2120FNL 2310FEL
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 578	30-015-39539-00-S1	Sec 18 T17S R30E NWSE 2095FSL 2473FEL
NMNM88525X	NMLC028793A	BURCH KEELY UNIT 582	30-015-40272-00-S1	Sec 18 T17S R30E SWSE 1310FSL 2025FEL
NMNM88525X	NMLC028784C	BURCH KEELY UNIT 932H	30-015-42186-00-S1	Sec 18 T17S R30E Lot 2 1864FNL 323FWL 32.836549 N Lat, 104.018099 W Lon
NMNM88525X	NMLC028784C	BURCH KEELY UNIT 934H	30-015-42758-00-S1	Sec 13 T17S R29E NESE 2455FSL 210FEL 32.833911 N Lat, 104.019834 W Lon
NMNM88525X	NMLC028784C	BURCH KEELY UNIT 938H	30-015-42941-00-S1	Sec 18 T17S R30E NENE 500FNL 297FEL 32.840312 N Lat, 104.003212 W Lon
NMNM88525X	NMLC028793C	BURCH KEELY UNIT 939H	30-015-39573-00-S1	Sec 18 T17S R30E Lot 1 1152FNL 497FWL

**10. Field and Pool, continued**

UNKNOWN

**32. Additional remarks, continued**

BURCH-KEELY UNIT #556 30-015-39907  
 BURCH-KEELY UNIT #938H 30-015-42941  
 BURCH-KEELY UNIT #572 30-015-40268  
 BURCH-KEELY UNIT #582 30-015-40272  
 BURCH-KEELY UNIT #932H 30-015-42186  
 BURCH-KEELY UNIT #564 30-015-39869  
 BURCH-KEELY UNIT #548 30-015-39442  
 BURCH-KEELY UNIT #555 30-015-39566  
 BURCH-KEELY UNIT #411 30-015-36263  
 BURCH-KEELY UNIT #417 30-015-36181  
 BURCH-KEELY UNIT #549 30-015-39522  
 BURCH-KEELY UNIT #554 30-015-39755  
 BURCH-KEELY UNIT #557 30-015-39316  
 BURCH-KEELY UNIT #566 30-015-39870  
 BURCH-KEELY UNIT #578 30-015-39539  
 BURCH-KEELY UNIT #563 30-015-39444

600 Oil

1300 MCF

Requesting 90 flare approval from 10/22/16 to 1/20/16.

Due to: Frontier shut in for plant maintenance.

BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972

COG OPERATING LLC  
MULTIPLE WELLS  
NMLC028793A

07/28/2017

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, (from 10/22/2016 to 01/20/2017), if flaring is still required past 60 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. 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>