Form	3160-5
(June	2015)

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UNITED STATES					
DEPARTMENT OF THE INTERIOR					
BUREAU OF LAND MANAGEMENT					

NMOCD

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018 5. Lease Serial No. NMLC028784A

SUNDRY NOTICES AND REPORTS ON WELLS Artesia 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 Na

abandoned well. Use form 3160-3 (APD) for such proposals.			6. If Indian, Allouee o	r Inde Name				
SUBMIT IN TRIPLICATE - Other instructions on page 2				7. If Unit or CA/Agreement, Name and/or No. NMNM88525X				
1. Type of Well Gas Well Other					8. Well Name and No. BURCH KEELY UNIT 620			
2. Name of Operator Contact: DANA KING COG OPERATING LLC E-Mail: dking@concho.com					9. API Well No. 30-015-39569			
3a. Address 3b. Phone No. (include area code) ONE CONCHO CENTER, 600 W ILLINOIS AVE Ph: 432-818-2267 MIDLAND, TX 79701 Ph: 432-818-2267					10. Field and Pool or Exploratory Area GRAYBURG JACKSON			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				11. County or Parish, State				
Sec 24 T17S R29E Mer NMP 1870FNL 730FWL					EDDY COUNTY, NM			
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA								
TYPE OF SUBMISSION								
🛛 Notice of Intent	🗖 Acidize	🗖 Dee	epen	🗖 Produc	tion (Start/Resume)	□ Water Shut-Off		
_	Alter Casing	🗖 Hye	draulic Fracturing	🗖 Reclan	nation	Well Integrity		
Subsequent Report	Casing Repair	🗖 Nev	□ New Construction □ Re		plete	Other		
Final Abandonment Notice	Change Plans	🗖 Plu	g and Abandon	🗖 Tempo	rarily Abandon	Venting and/or Flari ng		
	Convert to Injection	🗖 Plu	D Plug Back D Water		Disposal	-		
If the proposal is to deepen direction: Attach the Bond under which the wor following completion of the involved testing has been completed. Final At determined that the site is ready for final COG OPERATING LLC RESF 23, T17S, R29E.	k will be performed or provide operations. If the operation re bandonment Notices must be fil nal inspection. PECTFULLY REQUEST	the Bond No. o sults in a multip led only after all	n file with BLM/BIA le completion or reco requirements, includi T THE BURCH K	. Required su mpletion in a ing reclamation EELY UNI	ibsequent reports must be new interval, a Form 316 on, have been completed a	filed within 30 days 0-4 must be filed once and the operator has TERY, SECT		
NUMBER OF WELLS TO FLARE: (50) PLEASE SEE ATTACHED WELL LIST NM OIL CONSERVATION ARTESIA DISTRICT SEE ATTACHED FOR NOV 1.7 2017 NOV 1.7 2017 RECEIVED								
Put wells in h	umorical pr	ECEIVED	remare 1	Juras	rd vell	$\overline{\mathbf{A}}$		
14. I hereby certify that the foregoing is Name (Printed/Typed) DANA KIN	true and correct. Electronic Submission # For COG C Committed to AFMSS for	389670 verifie PERATING L	d by the BLM Well .C, sent to the Ca y JENNIFER SANC	risbad/	11/2017 ()			
Signature (Electronic S	ubmission)		Date 09/25/20	017	APPROV	ED 1		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE								
Approved By Conditions of approval, if any, are attached certify that the applicant holds legal or equ which would entitle the applicant to condu Title 18 U.S.C. Section 1001 and Title 43	itable title to those rights in the ct operations thereon.	e subject lease	Title Office	_K	UBEAU OF LAND MAY CARLSBAD FIELD			
States any false, fictitious or fraudulent s								
(Instructions on page 2)				1				

*2) ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED/** OPERATOR-SUBMITTED **

Additional data for EC transaction #389670 that would not fit on the form

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32. Additional remarks, continued

BBLS OIL/DAY: 60 MCF/DAY: 1000

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REASON: UNPLANNED MIDSTREAM CURTAILMENT PLANT MAINTENANCE

BURCH KEELY UNIT SATELLITE D BATTERY

BURCH-KEELY UNIT #212-39-015-27605-00-S1 BURCH-KEELY UNIT #620/30-015-39569-00 BURCH-KEELY UNIT #597 30-015-40882-00 BURCH-KEELY UNIT #593/30-015-38540-00 BURCH-KEELY UNIT #616 30-015-38517-00-S1 BURCH-KEELY UNIT #224/30-015-27648-00-S1 BURCH-KEELY UNIT #320-30-015-32093-00-S1 BURCH-KEELY UNIT #73 30,015-20795-00-S1 BURCH-KEELY UNIT #330 30-015-32443-00-S1 BURCH-KEELY UNIT #319 30-015-32092-00-S1 BURCH-KEELY UNIT #596-30-015-38515-00-S1 BURCH-KEELY UNIT #65 30-015-21267-00-S1 BURCH-KEELY UNIT #331 30-015-32697-00-S1 BURCH-KEELY UNIT #64-30-015-03080-00-S1 BURCH-KEELY UNIT #39-30-015-25711-00-S1 BURCH-KEELY UNIT #857-30-015-40381-00 BURCH-KEELY UNIT #318 30-015-32006-00-S1 BURCH-KEELY UNIT #36 50-015-22093-00-S1 BURCH-KEELY UNIT #594-30-015-38559-00 BURCH-KEELY UNIT #71-30-015-20625-00-S1 -BURCH-KEELY UNIT #947H (FKA 2H) 30-015-40637-00 BURCH-KEELY UNIT #398-30-015-35399-00-S1 BURCH-KEELY UNIT #400-30-015-35246-00-S1 BURCH-KEELY UNIT #258 30-015-28914-00-S1 BURCH-KEELY UNIT #342 30-015-32710-00-S1 BURCH-KEELY UNIT #67-30-015-21368-00-S1 BURCH-KEELY UNIT #46 30-015-20338-00-S1-BURCH-KEELY UNIT #602/30-015-38644-00-S1 BURCH-KEELY UNIT #323 30-015-32211-00-S1 BURCH-KEELY UNIT #337-30-015-32755-00-S1 BURCH-KEELY UNIT #621 30-015-40325-00 BURCH-KEELY UNIT #35-30-015-20378-00-S1 BURCH-KEELY UNIT #44-30-015-20393-00-S1-BURCH-KEELY UNIT #397 30-015-35389-00-S1 BURCH-KEELY UNIT #37-30-015-03063-00-S1--() BURCH-KEELY UNIT #592 30-015-38560-00-S1 BURCH-KEELY UNIT #272-30-015-27783-00-S1 BURCH-KEELY UNIT #45-30-015-22572-00-S1 BURCH-KEELY-UNIT #249 30-015-27575-00-S1-BURCH-KEELY UNIT #41,80-015-20391-00-S1 BURCH-KEELY UNIT #312 30-015-31434-00-S1 BURCH-KEELY UNIT #40 30-015-21367-00-S1-BURCH-KEELY UNIT #414-50-015-36345-00-S1 BURCH-KEELY UNIT #399 20-015-35400-00-S1 BURCH-KEELY UNIT #601-30-015-38570-00-S1 BURCH-KEELY UNIT #604 30-015-40663-00 BURCH-KEELY UNIT #723 30-015-38650-00

BURCH-KEELY UNIT #223 30-015-27647-00-S1 BURCH-KEELY UNIT #902 30-015-40329-00 BURCH-KEELY UNIT #213 30-015-27606-00-S1

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) 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>. <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).
 - 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