Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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

5. Lease Serial No. NMLC028731B

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.					NMLC028731B 6. If Indian, Allottee or Tribe Name	
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No. NMNM111789X	
1. Type of Well ☐ Gas Well ☐ Other					8. Well Name and No. DODD FEDERAL UNIT 563	
Name of Operator Contact: DANA KING COG OPERATING LLC E-Mail: dking@concho.com					9. API Well No. 30-015-39599	
3a. Address ONE CONCHO CENTER, 600 W ILLINOIS AVE MIDLAND, TX 79701 3b. Phone No. (include area code) Ph: 432-818-2267					10. Field and Pool or Exploratory Area DODD-GLORIETA-UPPER YESO	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State	
Sec 11 T17S R29E Mer NMP 1780FSL 1755FWL					EDDY COUNTY, NM	
12. CHECK THE AI	PPROPRIATE BOX(ES)	TO INDICA	TE NATURE OI	F NOTICE,	REPORT, OR OTH	ER DATA
TYPE OF SUBMISSION	TYPE OF ACTION					
Notice of Intent	☐ Acidize	☐ Dee	eepen 🗆 Pr		ion (Start/Resume)	☐ Water Shut-Off
- .	☐ Alter Casing	☐ Hydraulic Fracturing ☐ Rec		☐ Reclam	ation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair ☐ Nev		v Construction	☐ Recomplete		Other
☐ Final Abandonment Notice	☐ Change Plans ☐ P		g and Abandon	☐ Temporarily Abandon		Venting and/or Flari ng
	☐ Convert to Injection	Plu	g Back		Disposal	
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 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 REQUESTS TO FLARE AT THE DODD FEDERAL 11A BATTERY. NUMBER OF WELLS TO FLARE: (22) DODD FEDERAL UNIT #911H (FKA 11-4H) 30-015-40346- DODD FEDERAL UNIT #911H (FKA 10-2H) 30-015-40346- DODD FEDERAL UNIT #585 30-015-39772- DODD FEDERAL UNIT #585 30-015-39772- DODD FEDERAL UNIT #902H 30-015-40624- DODD FEDERAL UNIT #101 30-015-34566- DODD FEDERAL UNIT #111 30-015-34566- DODD FEDERAL UNIT #111 30-015-34566- DODD FEDERAL UNIT #910H 30-015-36156- NOV 0 7 2017 RECEIVED ARECEIVED RECEIVED						
14. I hereby certify that the foregoing is	true and correct.		/		7 - 1 - 1 -	/ /
Electronic Submission #389420 verified by the BLM Well Information/System / For COG OPERATING LLC, sent to the Carlsbad						
Committed to AFMSS for processing by JENNIFER SANCHEZ on 10 Name (Printed/Typed) DANA KING Title SUBMITTING GON					" // /	/
Signature (Electronic Submission)			Date 09/22/20	017		
	THIS SPACE FO	OR FEDERA			SE /// 2017	
Approved By Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conduct the applicant the applica	aitable title to those rights in the		Title	BUREAN OF CARLS	II ///	Dyc
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any po to any matter w	son knowingly and thin its jurisdiction.	willfully to ma	ke to any department or a	gency of the United
(Instructions on page 2) ** OPERA	FOR-SUBMITTED ** O	PERATOR	SUBMITTED **	OPERAT	/ OR-SUBMITTED/	

Additional data for EC transaction #389420 that would not fit on the form

32. Additional remarks, continued

DODD FEDERAL UNIT #566 30-015-39695—
DODD FEDERAL UNIT #563 30-015-39599—
DODD FEDERAL UNIT #18 30-015-25633—
DODD FEDERAL UNIT #18 30-015-36157—
DODD FEDERAL UNIT #128 30-015-36157—
DODD FEDERAL UNIT #126 30-015-36155—
DODD FEDERAL UNIT #10 30-015-20077—
DODD FEDERAL UNIT #913H 30-015-42722—
DODD FEDERAL UNIT #913H 30-015-39600—
DODD FEDERAL UNIT #565 30-015-39600—
DODD FEDERAL UNIT #4 30-015-25611—
DODD FEDERAL UNIT #4 30-015-35247—
DODD FEDERAL UNIT #113 30-015-35247—
DODD FEDERAL UNIT #108 30-015-34565—
DODD FEDERAL UNIT #564 30-015-34565—
DODD FEDERAL UNIT #564 30-015-40603—

FROM 10/02/2017 TO 12/31/2017

BBLS OIL/DAY: 130 MCF/DAY: 550

REASON: PLANNED MIDSTREAM CURTAILMENT

PLANT MAINTENANCE

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 <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). 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.
 - 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