

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD

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.
NMNM102036

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM1326148. Well Name and No.
RDX FED COM 10 005H9. API Well No.
30-015-4108710. Field and Pool or Exploratory Area
CORRAL CANYON;BONE SPRING11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

RKI EXPLORATION & PRODUCTION

Contact: CAITLIN O'HAIR

E-Mail: caitlin.ohair@wpenergy.com

3a. Address

3500 ONE WILLIAMS CENTER MD 35
TULSA, OK 74172

3b. Phone No. (include area code)

Ph: 539-573-3527

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 10 T26S R30E NWSE 2310FSL 2310FEL
32.056289 N Lat, 103.867958 W Lon**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 recompleat 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 recompleat 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.

RKI EXPLORATION & PRODUCTION, LLC requests to flare due to a forced shut down of 3rd party gas gathering systems due to Hurricane Harvey. Increased flaring started on 08/31/2017 and expects to end by 2/27/2018 (180 days).

Estimated gas to be flared per month = 4,500 MCF
MCF/D = 150
Oil BBL/D = 0

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval for 90 days. Submit new request if longer.

NM OIL CONSERVATION
ARTESIA DISTRICT

NOV 07 2017

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #389853 verified by RECEIVED Information System
For RKI EXPLORATION & PRODUCTION, sent to the Cansbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 10/11/2017 ()

Name (Printed/Typed) CAITLIN O'HAIR

Title SUBMITTER

Signature (Electronic Submission)

Date 09/26/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

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

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

September 7, 2017

Via Email: contractmanagement@wpxenergy.com; Brian.Routh@wpxenergy.com;
Justin.McFatrige@wpxenergy.com and U.S. Mail Delivery

RKI Exploration and Production, LLC
3500 One Williams Center, 34th Floor
Tulsa, OK 74172
Attn: Contract Management

Re: Notice of Force Majeure at Ramsey Plant
Contract No(s). 20401, 20459, 21046

Delaware Basin Midstream, LLC ("DBM") experienced a Force Majeure event at the Ramsey Complex at approximately 12:00 p.m. on August 29, 2017 due to downstream constraints impacting NGL sales and capacity at the tailgate of the Ramsey Complex. The Force Majeure remains in effect.

DBM will continue providing further updates as they become available. DBM greatly appreciates your patience and understanding during this event. If you have any questions, please contact one of the following:

| | |
|--|----------------|
| Jay Smith, Commercial Development Mgr. | (832) 636-7325 |
| Michael Simpson, Commercial Development Rep. | (832) 636-1340 |
| Jack Spinks, Commercial Development Rep. | (832) 636-3738 |

Sincerely,


Denise Becker
Midstream Contract Administration



ENERGY TRANSFER

8111 Westchester Drive, Suite, 600
Dallas, TX 75225
MAIN 214.750.1771
FAX 214.750.1749
www.energytransfer.com

IMPORTANT NOTICE TO PRODUCERS

August 31, 2017

RKI EXPLORATION AND PRODUCTION LLC
Attn: CONTRACT ADMINISTRATION
PO BOX 3102; ATTN: TAX DEPT 36-5
TULSA, OK 74172

RE: Force Majeure Event – Hurricane Harvey; Mont Belvieu NGL Takeaway Capacity (“MB Takeaway”) and the following ETC Texas Pipeline, Ltd. (“ETC”) affected Gas Processing Plants (“Plants”): Rebel, Panther, Orla and Arrowhead

Valued Producer/Customer:

This letter is to inform you that due to Hurricane Harvey, ETC is notifying you of an event of *force majeure* affecting ETC’s Plants caused by MB Takeaway beginning on August 29, 2017 and continuing until further notice. ETC’s ability to process gas may be impacted during this period. As a result, there may be production cuts at the receipt points under any and all contracts you have with ETC for processing of your gas at the Plants. Production cuts will be communicated to you from ETC operations and/or scheduling representatives.

For expediency, this notice does not reference specific contract numbers but instead makes reference to any and all contracts you have with ETC at the Plants.

The elements, including but not limited to hurricanes, floods, tornados, or threats thereof, constitute a *force majeure* event under the terms of your contract. As a result, any interruptions in service during the *force majeure* period are covered events under your contract.

If you have any questions, please contact your ETC operations or commercial representative.

Sincerely,
ETC TEXAS PIPELINE, LTD

Vice President – Contract Administration

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 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, 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.
 - 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**;
<https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43.2.3170.3179&r=SUBPART>