

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

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 | | 5 Lease Serial No NMLC028784B |
| 2 Name of Operator COG OPERATING LLC | | 6 If Indian, Allottee or Tribe Name |
| 3a Address ONE CONCHO CENTER, 600 W ILLINOIS AVE MIDLAND, TX 79701 | | 7 If Unit or CA/Agreement, Name and/or No NMNM88525X |
| 3b Phone No (include area code) Ph 432-818-2267 | | 8 Well Name and No BURCH KEELY UNIT 387 |
| 4 Location of Well (Footage Sec T R M or Survey Description) Sec 24 T17S R29E Mer NMP 330FNL 830FEL | | 9 API Well No 30-015-33812 |
| 10 Field and Pool or Exploratory Area BK, GLORIETA-UPPER YESO | | 11 County or Parish, State EDDY COUNTY, NM |

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 REQUESTS TO FLARE AT THE BURCH KEELY SEC 13B BATTERY, S13 T17S R29E

NUMBER OF WELLS TO FLARE (28)

- BURCH-KEELY UNIT 32 - 30-015-20398
- BURCH-KEELY UNIT 387 - 30-015-33812
- BURCH-KEELY UNIT 391 - 30-015-33805
- BURCH-KEELY UNIT 392 - 30-015-33809
- BURCH-KEELY UNIT 537 - 30-015-40182
- BURCH-KEELY UNIT 539 - 30-015-40319
- BURCH-KEELY UNIT 540 - 30-015-40321

RECEIVED
4/23/18 AB
FOR RECORDS ONLY
APR 19 2018 SEE ATTACHED FOR
CONDITIONS OF APPROVAL
DISTRICT II-ARTESIA O C D

14 I hereby certify that the foregoing is true and correct

Electronic Submission #404891 verified by the BLM Well Information System
For COG OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on (2/23/2018)

Name (Printed/Typed) DANA KING Title SUBMITTING CONTACT

Signature (Electronic Submission) Date 02/19/2018

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APR 3 2018

Approved By _____ Title _____ Date _____

Office BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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 ****

Additional data for EC transaction #404891 that would not fit on the form

32 Additional remarks, continued

BURCH-KEELY UNIT 541 ~~30-015-40662~~
BURCH-KEELY UNIT 542 ~~30-015-39521~~
BURCH-KEELY UNIT 544 ~~30-015-40322~~
BURCH-KEELY UNIT 545 ~~30-015-40323~~
BURCH-KEELY UNIT 546 ~~30-015-40324~~
BURCH-KEELY UNIT 577 ~~30-015-39524~~
BURCH-KEELY UNIT 580 ~~30-015-40270~~
BURCH-KEELY UNIT 581 ~~30-015-40271~~
BURCH-KEELY UNIT 584 ~~30-015-40273~~
BURCH-KEELY UNIT 588 ~~30-015-40702~~
BURCH-KEELY UNIT 617 ~~30-015-40704~~
BURCH-KEELY UNIT 625 ~~30-015-40326~~
BURCH-KEELY UNIT 640 ~~30-015-40328~~
BURCH-KEELY UNIT 652 ~~30-015-40279~~
BURCH-KEELY UNIT 858 ~~30-015-40382~~
BURCH-KEELY UNIT 906 ~~30-015-40887~~
BURCH-KEELY UNIT 943H ~~30-015-39575~~
BURCH-KEELY UNIT 944H ~~30-015-44079~~
BURCH-KEELY UNIT 945H ~~30-015-39578~~
BURCH-KEELY UNIT 962H ~~30-015-44101~~
BURCH-KEELY UNIT 963H ~~30-015-39576~~

FROM 3/1/2018 to 5/30/2018

BBLs OIL/DAY 400
MCF/DAY 1100

REASON UNPLANNED MIDSTREAM CURTAILMENT
PLANT SHUT DOWN DUE TO HLP OR 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 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](https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43%203170%203179&r=SUBPART)

If H₂S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements.