

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
WELD ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018Case Serial No.
NMNM114979**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		6. If Indian, Allottee or Tribe Name
2. Name of Operator COG PRODUCTION LLC		7. If Unit or CA/Agreement, Name and/or No.
Contact: STORMI DAVIS E-Mail: sdavis@concho.com		8. Well Name and No. CANVASBACK 13 FEDERAL 3H
3a. Address 2208 W MAIN STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 575-748-6946	9. API Well No. 30-015-41529-00-S1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T24S R31E NWNE 190FNL 1470FEL 32.223979 N Lat, 103.727258 W Lon		10. Field and Pool or Exploratory Area POKER LAKE
		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 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.

COG Operating LLC respectfully requests 90-day approval to flare this well during pipeline construction.

Well makes approximately 800 MCFD.

W/11/18 AB RECEIVED
FOR RECORDS ONLY JUN 06 2018

14. I hereby certify that the foregoing is true and correct. Electronic Submission #231402 verified by the BLM Well Information System For COG PRODUCTION LLC, sent to the Carlsbad Committed to AFMSS for processing by JENNIFER MASON on 02/05/2014 (14JAM0096SE)		DISTRICT II ARTESIA O.C.D.	
Name (Printed/Typed)	STORMI DAVIS	Title	PREPARER
Signature	(Electronic Submission)	Date	01/08/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jonathon Shepard</u> (BLM Approver Not Specified)		Title	Date 06/04/2018
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 ****

Revisions to Operator-Submitted EC Data for Sundry Notice #231402

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	FLARE NOI	FLARE NOI
Lease:	NMNM114979	NMNM114979
Agreement:		
Operator:	COG PRODUCTION LLC 2208 WEST MAIN STREET ARTESIA, NM 88210 Ph: 575-748-6940	COG PRODUCTION LLC 2208 W MAIN STREET ARTESIA, NM 88210 Ph: 575.748.6940
Admin Contact:	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946 Fx: 575-748-6968	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946
Tech Contact:	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946 Fx: 575-748-6968	STORMI DAVIS PREPARER E-Mail: sdavis@concho.com Ph: 575-748-6946
Location:		
State:	NM	NM
County:	EDDY	EDDY
Field/Pool:	POKER LAKE; DELAWARE EAST	POKER LAKE
Well/Facility:	CANVASBACK 13 FEDERAL 3H Sec 13 T24S R31E NWNE 190FNL 1470FEL	CANVASBACK 13 FEDERAL 3H Sec 13 T24S R31E NWNE 190FNL 1470FEL 32.223979 N Lat, 103.727258 W Lon

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.

