

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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 reverse side.1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
IMPETRO OPERATING LLC3a. Address
300 E. SONTERRA BLVD., 1220 SAN ANTONIO, TX3b. Phone No. (include area code)
210-999-5400

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

1980' FNL & 1980' FWL, SECTION 21, T-26-S, R-35-E, N.M.P.M.

5. Lease Serial No.

NMNM-0448921-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MEXICO "P" FEDERAL #1

9. API Well No.

30-025-22405

10. Field and Pool, or Exploratory Area

Jabalina; Wolfcamp, Southwest

11. County or Parish, State

LEA COUNTY, NEW MEXICO

12. CHECK 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"/> Fracture Treat	<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 FLARING
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Authorized Venting and Flaring of Gas meter serial number 52385

~~We would like to amend the previous Form 3160-5 filed on 10/9/2015.~~ See LOA

Due to unavailable gas market and waiting on the gas purchaser "Regency Field Services" we are requesting a 90 day extension to flare gas.

After reviewing all options for the Mexico P, Regency decided that they have no capacity for one well projects. The only option they can offer would be to provide some capacity in exchange for a long term acreage dedicated contract. ImPetro has agreed to their conditions and are in the process of putting an agreement in place. All necessary pipeline connections have been made and upon receiving approval from Regency we will be in a position to commence sales.

We feel that flaring on the Mexico P should be considered an unavoidable loss as ImPetro is doing everything in their power to get the product to sales.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL** See LOA

14. I hereby certify that the foregoing is true and correct
-
- Name (Printed/Typed)

DEBBIE CHERRY

Title REG. ASST

Signature

Date

12/04/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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)

**SUBJECT TO LIKE
APPROVAL BY STATE**

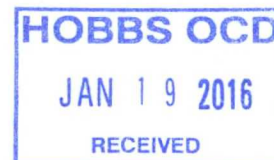
MSB/OCD 1/19/2016

JAN 19 2016



BUREAU OF LAND MANAGEMENT
Carlsbad Field Office

IMPETRO OPERATING LLC
Mexico "P" Fed #1 API-3002522405
NMNM0448921A



01/12/2016

This field office has evaluated the attached Notice of Intent as a request for flaring/venting beyond NTL-4A allowable thresholds (reasons, timeframes and volumes), and has determined the following Conditions of Approval apply.

Condition of Approval to Flare Gas

1. Comply with NTL-4A requirements
2. Previous Sundry filed on 10/9/2015 and approved on 11/09/2015 remains in effect and is approved for 90 days from date requested on sundry.
3. Subject to like approval from NMOCD
4. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08"**
5. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
6. Vent/flare gas metering to meet all requirements for a sales meter as per Federal Regulations, Onshore Order #5 and NTL 2008-01. Include meter serial number on sundry (form 3160-5).
7. This approval does not authorize any additional surface disturbance.
8. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
9. Approval not to exceed 90 days, (from 1/1/2016 to 3/31/2016), if flaring is still required past 90 days submit new request for approval.
10. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.

Definition: As per NTL-4A II. A. "Avoidably lost" production shall mean the venting or flaring of produced gas without the prior authorization, approval, ratification, or acceptance of the Supervisor and the loss of produced oil or gas when the Supervisor determines that such loss occurred as a result of (1) negligence on the part of the lessee or operator, or (2) the failure of the lessee or operator to take all reasonable measures to prevent and/or to control the loss, or (3) the failure of the lessee or operator to comply fully with the applicable lease terms and regulations, appropriate provisions of the approved operating plan, or the prior written orders of the Supervisor, or (4) and combination of the foregoing.

43CFR3162.7-1 (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas and sulphur produced from the leased land.

43CFR3162.1 (a) The operating rights owner or operator, as appropriate, shall comply with applicable laws and regulations; with the lease terms, Onshore Oil and Gas Orders, NTL's; and with other orders and instructions of the authorized officer. These include, but are not limited to, conducting all operations in a manner which ensures the proper handling, measurement, disposition, and site security of leasehold production; which protects other natural resources and environmental quality; which protects life and property; and which results in maximum ultimate economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources.

JAN 19 2016

Warranty
Void if removed
SYS Expires
April 2002

HOBBS OCD
JAN 19 2016
RECEIVED

TOTALFLOW Division
Made in U.S.A.

WARNING
ENTRY INTO
THIS UNIT
WILL VOID
WARRANTY

ABB

PART NUMBER 2015285-010
SER NO 52385
DP RANGE 250
STATIC RANGE 1500

IN/H2O
PSI

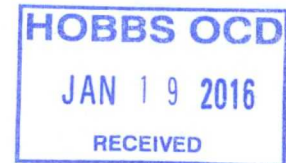
PROCESS WETTED MATERIALS OF TRANSDUCER CONFORM TO NACE MR - 01-75

Gas Meter Mexico P FEDERAL #1

JAN 19 2016

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office

IMPETRO OPERATING LLC
Mexico "P" Fed #1 API-3002522405
NMNM0448921A



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