

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC031740B
2. Name of Operator XTO ENERGY INCORPORATED		6. If Indian, Allottee or Tribe Name
3a. Address 500 W ILLINOIS STREET SUITE 100 MIDLAND, TX 79701		7. If Unit or CA/Agreement, Name and/or No. 73885U4940
3b. Phone No. (include area code) Ph: 432-620-4318 Fx: 432-618-3530		8. Well Name and No. EMSU 01
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T21S R36E SWSE 660FSL 1980FEL 32.502462 N Lat, 103.268187 W Lon		9. API Well No. 30-025-04484-00-S1
		10. Field and Pool, or Exploratory SWD
		11. County or Parish, and State LEA COUNTY, NM

HOBBS OCD
MAY 27 2016

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
	<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 shall 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 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.)

UNICE MONUMENT SOUTH UNIT SAT #1
ASSOCIATED WELLS:

- EUNICE MONUMENT SO. UNIT 101 GRBG/SA API#30-025-04484
- EUNICE MONUMENT SO. UNIT 103 GRBG/SA API#30-025-04331
- EUNICE MONUMENT SO. UNIT 105 GRBG/SA API#30-025-04335
- EUNICE MONUMENT SO. UNIT 109 GRBG/SA API#30-025-04324
- EUNICE MONUMENT SO. UNIT 110 GRBG/SA API#30-025-06284
- EUNICE MONUMENT SO. UNIT 112 GRBG/SA API#30-025-06282
- EUNICE MONUMENT SO. UNIT 115 GRBG/SA API#30-025-06295
- EUNICE MONUMENT SO. UNIT 117 GRBG/SA API#30-025-29396
- EUNICE MONUMENT SO. UNIT 122 GRBG/SA API#30-025-30277
- EUNICE MONUMENT SO. UNIT 123 GRBG/SA API#30-025-29957

May - End of July (State time frame)
← WDW???

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

**Electronic Submission #339671 verified by the BLM Well Information System
For XTO ENERGY INCORPORATED, sent to the Hobbs
Committed to AFSS for processing by JENNIFER SANCHEZ on 05/19/2016 (16JAS0409SE)**

Name (Printed/Typed) PATTY R URIAS	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 05/19/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
MAY 19 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED**

Additional data for EC transaction #339671 that would not fit on the form

32. Additional remarks, continued

EUNICE MONUMENT SO. UNIT 125 GRBG/SA API#30-025-04322

The unexpected malfunction of equipment maintained by TARGA's (3RD PARTY GAS PURCHASER) plant has caused emergency flaring from the EMSU SAT 1 of approximately 26 mcf/day until necessary repairs completed. The volumes flared as a result of this equipment malfunction constitute "unavoidably lost" production under NTL 4A Section II.C.(2) ("Unavoidably lost" production shall mean "(2) that oil or gas which is lost because of line failures, equipment malfunctions, blowouts, fires, or otherwise") and NTL 4A Section III.A. ("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. During temporary emergency situations, such as compressor or other equipment failures"). For at least this reason, the flared volumes are not royalty bearing under NTL 4A.

*could
submit well in
see
CPB*

TARGA MALFUNCTION/FAILURE CAUSING US TO FLARE AS OF 5/10/16 AND MAX OF 26 MCFD.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

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. Subject to like approval from NMOCD
3. **Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08**
4. "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.
5. 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).
6. This approval does not authorize any additional surface disturbance.
7. An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
8. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
9. 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.