August 2007) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT					FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010	
		NOTICES AND REPORTS ON WELLS		5.	5. Lease Serial No. NMLC068281B	
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					If Indian, Allottee o	r Tribe Name
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					If Unit or CA/Agree NMNM131810	ement, Name and/or No.
1. Type of Well					Well Name and No.	-
	Gas Well 🖸 Oth		REAL		MultipleSee Atta	liched
2. Name of Operator CONOCOPHILLIPS COMPANY Contact: RHONDA ROGERS. VED E-Mail: rogerrs@conocophillips.com				9	9. API Well No. MultipleSee Attached	
3a. Address					0. Field and Pool, or JENNINGS	Exploratory
MIDLAND, TX		D M C. D. D			11. County or Parish, and State	
		, R., M., or Survey Description	,	1		
MultipleSee Attached					LEA COUNTY, NM	
12.	CHECK APPR	ROPRIATE BOX(ES) TO	D INDICATE NATURE OF	NOTICE, REP	ORT, OR OTHE	R DATA
	MAGION	TYPE OF ACTION				
TYPE OF SUE	SMISSION		TIFEO	FACTION		
		Acidize			(Start/Resume)	UWater Shut-Off
Notice of Inte	ent	 Acidize Alter Casing 				□ Water Shut-Off □ Well Integrity
	ent	_	Deepen	Production	on	☐ Well Integrity ☑ Other
Notice of Inte	ent eport	Alter Casing	DeepenFracture Treat	 Production Reclamation 	on te	 □ Well Integrity ☑ Other Venting and/or Flar
☑ Notice of Inte □ Subsequent R □ Final Abando	ent eport nment Notice	 Alter Casing Casing Repair Change Plans Convert to Injection 	 Deepen Fracture Treat New Construction Plug and Abandon Plug Back 	 Production Reclamation Recompletion Temporarion Water Disconsistent 	on te ly Abandon posal	☐ Well Integrity ⊠ Other Venting and/or Flar ng
 Notice of Inte Subsequent R Final Abando Describe Proposed If the proposal is t Attach the Bond u following complet testing has been co determined that the ConocoPhillips 	ent eport nment Notice d or Completed Ope o deepen directiona nder which the wor ion of the involved ompleted. Final Ab e site is ready for fi	Alter Casing Casing Repair Change Plans Convert to Injection eration (clearly state all pertine ally or recomplete horizontally, k will be performed or provide operations. If the operation re bandonment Notices shall be fil inal inspection.)	 Deepen Fracture Treat New Construction Plug and Abandon 	Production Reclamati Recomple Temporari Water Dis Water Dis water data of any propured and true verti A. Required subsecompletion in a new ding reclamation, h ecause of	on te ly Abandon posal osed work and appro cal depths of all pertin quent reports shall be v interval, a Form 310	 □ Well Integrity ☑ Other Venting and/or Flar ng ximate duration thereof. ment markers and zones. filed within 30 days 50-4 shall be filed once and the operator has

For CONOCOPHILLIPS CO	ed by the BLM Well Information System MPANY, sent to the Hobbs RAH MCKINNEY on 09/23/2016 (16DLM1026SE)					
Name (Printed/Typed) RHONDA ROGERS	Title STAFF REGULATORY TECHNICIA	N				
Signature (Electronic Submission)	Date 09/15/2016					
THIS SPACE FOR FEDERAL OR STATE OFFICE USE						
Approved By TEUNGKU MUCHLIS KRUENG Conditions of approval, if any, are attached. Approval of this notice does not warrant or vertify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	TitlePETROLEUM ENGINEER Date 10/13/2016 Office Hobbs Date 10/13/2016					
Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any p States any false, fictitious or fraudulent statements or representations as to any matter	erson knowingly and willfully to make to any departmen vithin its jurisdiction.	t or agency of the United				

** BLM REVISED **

MUSS/OCD 10/24/2016

Additional data for EC transaction #351249 that would not fit on the form

Wells/Facilities, continued

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Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMLC068281B	NMLC068281B	BUCK 20 FEDERAL 1H	30-025-40431-00-S1	Sec 17 T26S R32E SESE 105FSL 397FEL
NMLC068281B	NMLC068281B	BUCK 17 FEDERAL 1H	30-025-40281-00-S1	Sec 17 T26S R32E SESE 330FSL 400FEL
NMLC068281B	NMLC068281B	BUCK 17 FEDERAL 2H	30-025-40401-00-S1	Sec 17 T26S R32E SWSE 1105FSL 1650FEL
NMLC068281B	NMLC068281B	BUCK 17 FEDERAL 5H	30-025-40840-00-S1	Sec 20 T26S R32E NENE 843FNL 1102FEL
NMLC068281B	NMLC068281B	BUCK 17 FEDERAL 6H	30-025-40901-00-S1	Sec 17 T26S R32E SWSE 28FSL 2064FEL
NMLC068281B	NMLC068281B	BUCK 20 FEDERAL 2H	30-025-40483-00-S1	Sec 20 T26S R32E NWNE 215FNL 1760FEL
NMLC068281B	NMLC068281B	BUCK 20 FEDERAL 3H	30-025-40503-00-S1	Sec 20 T26S R32E NENW 190FNL 2575FWL
NMLC068281B	NMLC068281B	BUCK 20 FEDERAL 5H	30-025-40539-00-S1	Sec 20 T26S R32E NENE 655FNL 980FEL
NMLC068281B	NMLC068281B	BUCK 20 FEDERAL 6H	30-025-40902-00-S1	Sec 20 T26S R32E NENW 55FNL 2659FEL
NMNM131810	NMLC062749C	BUCK 17 FEDERAL COM 3H	30-025-40900-00-S1	Sec 20 T26S R32E NWNE 10FNL 2625FEL

Buck Federal list of wells

Buck 20 Federal 1H	30-025-40431
Buck 20 Federal 2H	30-025-40483
Buck 20 Federal 3H	30-025-40503
Buck 20 Federal 5H	30-025-40539
Buck 20 Federal 6H	30-025-40902
Buck 17 Federal 1H	30-025-40281
Buck 17 Federal 2H	30-025-40401
Buck 17 Federal 3H	30-025-40900
Buck 17 Federal 5H	30-025-40840
Buck 17 Federal 6H	30-025-40901

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

CONOCOPHILLIPS COMPANY BUCK FEDERAL CTB NMLC068281B AND NMNM131810 10/13/2016

Pursuant to NTL-4A III, 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. <u>Emergencies.</u> During temporary emergency situations, such as compressor or other equipment failures, relief of abnormal system pressures, or other conditions which result in the unavoidable short-term venting or flaring of gas. However, this authorization to vent or flare gas in such circumstances without incurring a royalty obligation is limited to 24 hours per incident and to 144 hours cumulative for the lease during any calendar month, except with the prior authorization, approval, ratification, or acceptance of the Supervisor.
- B. <u>Well Purging and Evaluation Tests.</u> During the unloading or cleaning up of a well during drillstem, producing, routine purging, or evaluation tests, not exceeding a period of 24 hours.
- C. <u>Initial Production Tests.</u> During initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first, unless a longer test period has been authorized by the appropriate State regulatory agency and ratified or accepted by the Supervisor.
- D. <u>Routine or Special Well Tests.</u> During routine or special well tests, other than those cited in NTL-4A III.B and C above, only after approval by the Supervisor.

If a flaring event conforms with the requirements listed above as per NTL-4A III., the flared volumes are not royalty bearing and the operator does not need to submit a Sundry Notice. Report flared volumes as unavoidably lost on OGOR B.

Condition of Approval to Flare Gas

- The first 24 hours of a <u>temporary emergency flare*</u> 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). NTL-4A specifies no more than 24 hours per incident and no more 144 hours cumulative for the lease during any calendar month. These Volumes are not royalty bearing and shall be reported on OGOR "B" as disposition code"23".
- 2. Flared volumes considered to be "avoidably lost":
 - Exceeding the first 24 hours for each temporary emergency flare event (144 hours cumulative for the lease per month), well purging and evaluation test.
 - During initial well evaluation tests, exceeding a period of 30 days or the production of 50 MMcf of gas, whichever occurs first
 - Scheduled flaring operations

These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in NTL-4A are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with NTL-4A.IV.B.. <u>Volumes for avoidably lost gas shall be</u> 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 NTL-4A.IV.B.. 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.

- Approval not to exceed 90 days, (from 09/15/2016 to 12/15/2016), 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). <u>Include method for volume determination and duration</u>. <u>Report unavoidably lost (first 24 hrs</u> <u>of unexpected event) and avoidably lost (exceeding the first 24 hrs or flared gas that has been approved as</u> <u>avoidably lost by the Authorized Officer) volumes and durations on the Subsequent Report.</u>
- In determining the volumes of gas to be reported in accordance with NTL-4A the BLM CFO requires 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 Notice (Form 3160-5).
 - If installation of an approved gas meter is not economically feasible for continued operations. Submit Notice of Intent - Sundry Notice (Form 3160-5) to request an alternate method of determining gas volumes with a valid justification. Alternate methods are listed in NTL-4A. The Authorized Officer may require the installation of additional measurement equipment whenever it is determined that the present methods are inadequate to meet the purposes of this Notice.
- An updated facility diagram is required within 60 days of modifications to existing facilities per Onshore Order #3.
- 7. This approval does not authorize any additional surface disturbance.
- 8. Subject to like approval from NMOCD

Regulations and Definitions

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.

NTL-4A.IV.B. Oil Well Gas. Except as provided in II.C and III above, <u>oil well gas may not be vented or flared unless</u> <u>approved in writing by the Supervisor</u>. The Supervisor may approve an application for the venting or flaring of oil well gas if justified either by the submittal of **(1)** an evaluation report supported by engineering, geologic, and economic data which demonstrates to the satisfaction of the Supervisor that the expenditures necessary to market or beneficially use such gas are not economically justified and that conservation of the gas, if required, would lead to the premature abandonment of recoverable oil reserves and ultimately to a greater loss of equivalent energy than would be recovered if the venting or flaring were permitted to continue or **(2)** an action plan that will eliminate venting or flaring of the gas within 1 year from the date of application.

*<u>Temporary Emergency Flaring</u> is defined as an unexpected situation requiring immediate action. A flaring event is considered an emergency if the occurrence is out of the operators control and the operator had less than 24 hrs notification of the event. Scheduled or routine flare events will not be considered an emergency.