

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

HOEBS OCD
APR 10 2017
RECEIVED

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.

5. Lease Serial No.
NMMN108499

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMMN104037X

8. Well Name and No.
RED HILLS NORTH UNIT 701

9. API Well No.
30-025-31638-00-S2

10. Field and Pool or Exploratory Area
RED HILLS

11. County or Parish, State
LEA COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG RESOURCES INCORPORATED
Contact: LORI J NUGENT
E-Mail: Lori_Nugent@eogresources.com

3a. Address
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 432-686-3670

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 7 T25S R34E NWNE 660FNL 1980FEL
32.139566 N Lat, 103.506882 W Lon

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 Venting and/or 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 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.

EOG Resources, Inc. contacted Jennifer Sanchez with the BLM on 12/14/2016 regarding flare sundries that inadvertently had not been filed from 3/2013 - 6/2016. EOG Resources, Inc. reviewed files to determine flare volumes and reasons for flaring. Ms. Sanchez asked that EOG Resources, Inc. submit one sundry for each lease listing all volumes flared for the time period stated. EOG Resources, Inc. is reviewing other lease files and will submit other sundries as these reviews are complete.

EOG Resources, Inc. respectfully requests royalty free flare dispositions under NTL-4A.

See attached Exhibit A for detailed flare information

See attached Exhibit B for additional well/lease information

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #371703 verified by the BLM Well Information System
For EOG RESOURCES INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by JENNIFER SANCHEZ on 03/30/2017 (17JAS0222SE)

Name (Printed/Typed) LORI J NUGENT

Title PREPARER

Signature (Electronic Submission)

Date 03/30/2017

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

MAR 30 2017

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

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)

** BLM REVISED **

Accepted for Record Only
MSB/OCD 4/12/2017

ATTACHMENT - EXHIBIT A
 AGREEMENT
 LEASE

NMNM104037X
 NMNM108499

EQUIPMENT NAME

RHNU HALLWOOD 102 60387013 FLARE

RHNU DIAMOND 802 60387012 FLARE

To the best of my knowledge, these Flare meters are located on lease and are two of three flare meters on this lease.

WELLS		VOLUME		REASON	GAS SALES	
RHNU 701	8/2013	56 Flare 12 days	66.3 hrs	Unavoidable Loss / SUG high line pressure	1,407	
	9/2013	3 Flare 3 days	4.5 hrs	Unavoidable Loss / SUG high line pressure	1,512	
	10/2013	13 Flare 9 days	18.4 hrs	Unavoidable Loss / SUG high line pressure	1,006	
	11/2013	4 Flare 3 days	4.2 hrs	Unavoidable Loss / SUG high line pressure	1,124	
	1/2014	28 Flare 1 day	1.5 hrs	Unavoidable Loss	1,120	
	2/2014	178 Flare 10 days	111.1 hrs	Unavoidable Loss	942	
	3/2014	27 Flare 4 days	19 hrs	Unavoidable Loss	1,104	
	4/2014	35 Flare 3 days	.4 hr	Unavoidable Loss	1,089	
	5/2014	125 Flare 6 days	45.3 hrs	Unavoidable Loss	1,215	
	6/2014	74 Flare 6 days	54.2 hrs	Unavoidable Loss	1,079	
	7/2014	125 Flare 3 days	27.3 hrs	Unavoidable Loss	971	
	8/2014	1,417 Flare 27 days	4338.3 hrs	Unavoidable Loss	506	
	9/2014	416 Flare 20 days	219.2 hrs	Unavoidable Loss	465	
	10/2014	166 Flare 10 days	71.5 hrs	Unavoidable Loss	561	
	11/2014	830 Flare 10 days	137.1 hrs	Unavoidable Loss	526	
	12/2014	287 Flare 13 days	76.5 hrs	Unavoidable Loss	688	
	1/2015	27 Flare 7 days	40.9 hrs	Unavoidable Loss	896	
	2/2015	731 Flare 17 days	295 hrs	Unavoidable Loss	572	
	3/2015	848 Flare 29 days	461.2 hrs	Unavoidable Loss / high line pressure	616	
	4/2015	990 Flare 29 days	474.6 hrs	Unavoidable Loss / high line pressure	596	
	5/2015	246 Flare 19 days	143.9 hrs	Unavoidable Loss / high line pressure	1,186	
	6/2015	486 Flare 16 days	90.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	1,099	
	7/2015	480 Flare 27 days	257.6 hrs	Unavoidable Loss / high line pressure	788	
	8/2015	780 Flare 18 days	246.2 hrs	Unavoidable Loss / high line pressure	796	
	9/2015	12 Flare 1 day	1.25 hrs	Unavoidable Loss / high line pressure	1,124	
	10/2015	31 Flare 10 days	40.7 hrs	Unavoidable Loss	905	
	11/2015	27 Flare 4 days	31.4 hrs	Unavoidable Loss	418	
	1/2016	53 Flare 10 days	167 hrs	Unavoidable Loss / high line pressure	94	
	2/2016	2 Flare 1 day	.8 hr	Unavoidable Loss	489	
	3/2016	49 Flare 7 days	16.4 hrs	Unavoidable Loss	1,096	
	4/2016	967 Flare 28 days	387 hrs	Unavoidable Loss / high line pressure	782	
	5/2016	74 Flare 4 days	339 hrs	Unavoidable Loss / high line pressure	1,744	
	RHNU 702	8/2013	45 Flare 12 days	66.3 hrs	Unavoidable Loss / SUG high line pressure	1,134
		9/2013	2 Flare 3 days	4.5 hrs	Unavoidable Loss / SUG high line pressure	1,139
10/2013		10 Flare 9 days	18.4 hrs	Unavoidable Loss / SUG high line pressure	722	
11/2013		3 Flare 3 days	4.2 hrs	Unavoidable Loss / SUG high line pressure	916	
1/2014		23 Flare 1 day	1.5 hrs	Unavoidable Loss	929	
2/2014		147 Flare 10 days	111.1 hrs	Unavoidable Loss	781	
3/2014		22 Flare 4 days	19 hrs	Unavoidable Loss	916	
4/2014		14 Flare 3 days	.4 hr	Unavoidable Loss	421	
5/2014		104 Flare 6 days	45.3 hrs	Unavoidable Loss	1,007	
6/2014		61 Flare 6 days	54.2 hrs	Unavoidable Loss	899	
7/2014		110 Flare 3 days	27.3 hrs	Unavoidable Loss	850	
8/2014		1,239 Flare 27 days	4338.3 hrs	Unavoidable Loss	442	
9/2014		364 Flare 20 days	219.2 hrs	Unavoidable Loss	407	
10/2014		145 Flare 10 days	71.5 hrs	Unavoidable Loss	490	
11/2014		672 Flare 10 days	137.1 hrs	Unavoidable Loss	426	
12/2014		233 Flare 13 days	76.5 hrs	Unavoidable Loss	557	
1/2015		22 Flare 7 days	40.9 hrs	Unavoidable Loss	726	
2/2015		549 Flare 17 days	295 hrs	Unavoidable Loss	430	
3/2015		687 Flare 29 days	461.2 hrs	Unavoidable Loss / high line pressure	499	
4/2015		802 Flare 29 days	474.6 hrs	Unavoidable Loss / high line pressure	483	
5/2015		188 Flare 19 days	143.9 hrs	Unavoidable Loss / high line pressure	907	
6/2015		337 Flare 16 days	90.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	763	
7/2015		366 Flare 27 days	257.6 hrs	Unavoidable Loss / high line pressure	602	
8/2015		666 Flare 18 days	246.2 hrs	Unavoidable Loss / high line pressure	680	
9/2015		18 Flare 1 day	1.25 hrs	Unavoidable Loss / high line pressure	1,716	
10/2015		50 Flare 10 days	40.7 hrs	Unavoidable Loss	1,441	
11/2015		52 Flare 4 days	31.4 hrs	Unavoidable Loss	796	
12/2015		54 Flare 10 days	150.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	142	
2/2016		1 Flare 1 day	.8 hr	Unavoidable Loss	150	
3/2016		49 Flare 7 days	16.4 hrs	Unavoidable Loss	1,077	
4/2016		761 Flare 28 days	387 hrs	Unavoidable Loss / high line pressure	616	

	5/2016	33 Flare 4 days	339 hrs	Unavoidable Loss / high line pressure	766
RHNU 704	8/2013	17 Flare 12 days	66.3 hrs	Unavoidable Loss / SUG high line pressure	432
	9/2013	1 Flare 3 days	4.5 hrs	Unavoidable Loss / SUG high line pressure	769
	10/2013	4 Flare 9 days	18.4 hrs	Unavoidable Loss / SUG high line pressure	324
	11/2013	2 Flare 3 days	4.2 hrs	Unavoidable Loss / SUG high line pressure	630
	1/2014	16 Flare 1 day	1.5 hrs	Unavoidable Loss	648
	2/2014	103 Flare 10 days	111.1 hrs	Unavoidable Loss	548
	3/2014	14 Flare 4 days	19 hrs	Unavoidable Loss	566
	4/2014	18 Flare 3 days	.4 hr	Unavoidable Loss	543
	5/2014	39 Flare 6 days	45.3 hrs	Unavoidable Loss	377
	6/2014	21 Flare 6 days	54.2 hrs	Unavoidable Loss	308
	7/2014	122 Flare 3 days	27.3 hrs	Unavoidable Loss	947
	8/2014	1,381 Flare 27 days	4338.3 hrs	Unavoidable Loss	493
	9/2014	243 Flare 20 days	219.2 hrs	Unavoidable Loss	272
	5/2015	7 Flare 19 days	143.9 hrs	Unavoidable Loss / high line pressure	33
	6/2015	20 Flare 16 days	90.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	45
	7/2015	43 Flare 27 days	257.6 hrs	Unavoidable Loss / high line pressure	70
	8/2015	408 Flare 18 days	246.2 hrs	Unavoidable Loss / high line pressure	417

EQUIPMENT NAME

RHNU HALLWOOD 201 60387011 FLARE

To the best of my knowledge, the Flare meter is located on lease and is the one of three flare meters on this lease.

WELLS

RHNU 212	8/2013	1,075 Flare 26 days	456.4 hrs	Unavoidable Loss / SUG High Line pressure	1,464
	9/2013	1,456 Flare 30 days	703.4 hrs	Unavoidable Loss / SUG High Line pressure	1,042
	10/2013	879 Flare 29 days	459.3 hrs	Unavoidable Loss / SUG High Line pressure	1,370
	11/2013	46 Flare 6 days	35.3 hrs	Unavoidable Loss / SUG High Line pressure	1,477
	12/2013	32 Flare 5 days	21.9 hrs	Unavoidable Loss / SUG High Line pressure	1,470
	2/2014	29 Flare 9 days	28.2 hrs	Unavoidable Loss	1,289
	5/2014	26 Flare 4 days	28.7 hrs	Unavoidable Loss	727
	6/2014	37 Flare 15 days	51.8 hrs	Unavoidable Loss	691
	7/2014	46 Flare 11 days	65.5 hrs	Unavoidable Loss	499
	8/2014	181 Flare 26 days	284 hrs	Unavoidable Loss	202
	9/2014	349 Flare 28 days	483.5 hrs	Unavoidable Loss	259
	10/2014	144 Flare 22 days	186.2 hrs	Unavoidable Loss / High Line pressure	420
	11/2014	321 Flare 22 days	353.8 hrs	Unavoidable Loss	266
	12/2014	261 Flare 24 days	354.8 hrs	Unavoidable Loss	465
	1/2015	144 Flare 16 days	184.2 hrs	Unavoidable Loss	623
	2/2015	294 Flare 27 days	403.6 hrs	Unavoidable Loss / High Line pressure / Regency shut in	319
	3/2015	355 Flare 31 days	491.4 hrs	Unavoidable Loss / High Line pressure / Regency shut in	324
	4/2015	427 Flare 29 days	457.8 hrs	Unavoidable Loss / High Line pressure / Regency shut in	642
	5/2015	344 Flare 26 days	392.4 hrs	Unavoidable Loss / High Line pressure	616
	9/2015	103 Flare 18 days	193.5 hrs	Unavoidable Loss / High Line pressure	478
	10/2015	60 Flare 11 days	87 hrs	Unavoidable Loss / High Line pressure	938
11/2015	54 Flare 10 days	42.7 hrs	Unavoidable Loss / High Line pressure	1,367	

ATTACHMENT - EXHIBIT B

5. Lease Serial No., continued

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location	Type	Field/Pool	County	State
NMNM104037X	✓ NMNM108499	RHNU 701	30-025-31638-00-S2	SEC 7 T25S R34E NWNE 660 FNL 1980 FEL	OIL	RED HILLS	LEA	NM
NMNM104037X	✓ NMNM108499	RHNU 702	30-025-32246-00-S1	SEC 7 T25S R34E SWNE 1980 FNL 1780 FEL	OIL	RED HILLS	LEA	NM
NMNM104037X	✓ NMNM108499	RHNU 704	30-025-32433-00-S1	SEC 7 T25S R34E SWNW 2080 FNL 560 FWL	OIL	RED HILLS	LEA	NM
NMNM104037X	✓ NMNM108499	RHNU 212	30-025-35363-00-S1	SEC 12 T25S R33E SENW 1750 FNL 24175 FWL	OIL	RED HILLS	LEA	NM

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

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. Emergencies. 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. Well Purging and Evaluation Tests. 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. Initial Production Tests. 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. Routine or Special Well Tests. 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

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). 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 either disposition code "21" or "22".
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.. 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 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.

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 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.
6. 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, oil well gas may not be vented or flared unless approved in writing by the Supervisor. 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.

*Temporary Emergency Flaring 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.