Form 3160-5
(June 2015)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
NMNM108502

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM104037X

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
RED HILLS NORTH UNIT 102

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

9. API Well No.
30-025-32748-00-S1

3a. Address
MIDLAND, TX 79702

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

10. Field and Pool or Exploratory Area
RED HILLS

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 1 T25S R33E SESE 510FSL 660FEL
32.153678 N Lat, 103.519610 W Lon

11. County or Parish, State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Venting and/or Flaring
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.

See COAs

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 #371701 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 (17JAS0224SE)

Name *(Printed/Typed)* LORI J NUGENT — Title PREPARER

Signature (Electronic Submission) — Date 03/30/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD
MAR 30 2017
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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)

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

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

ATTACHMENT - EXHIBIT A

AGREEMENT *NMNM104037X*

LEASE *NMNM108502*

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 the only flare meters on this lease during this time period

WELLS		VOLUME			REASON	GAS SALES
RHNU 102	8/2013	45	Flare 12 days	66.3 hrs	Unavoidable Loss / SUG high line pressure	1,138
	9/2013	2	Flare 3 days	4.5 hrs	Unavoidable Loss / SUG high line pressure	1,192
	10/2013	12	Flare 9 days	18.4 hrs	Unavoidable Loss / SUG high line pressure	889
	11/2013	3	Flare 3 days	4.2 hrs	Unavoidable Loss / SUG high line pressure	850
	1/2014	21	Flare 1 day	1.5 hrs	Unavoidable Loss	856
	2/2014	143	Flare 10 days	111.1 hrs	Unavoidable Loss	758
	3/2014	19	Flare 4 days	19 hrs	Unavoidable Loss	808
	4/2014	22	Flare 3 days	.4 hr	Unavoidable Loss	690
	5/2014	92	Flare 6 days	45.3 hrs	Unavoidable Loss	889
	6/2014	55	Flare 6 days	54.2 hrs	Unavoidable Loss	804
	7/2014	94	Flare 3 days	27.3 hrs	Unavoidable Loss	728
	8/2014	1,062	Flare 27 days	4338.3 hrs	Unavoidable Loss	379
	9/2014	312	Flare 20 days	219.2 hrs	Unavoidable Loss	349
	10/2014	124	Flare 10 days	71.5 hrs	Unavoidable Loss	420
	11/2014	593	Flare 10 days	137.1 hrs	Unavoidable Loss	376
	12/2014	97	Flare 13 days	76.5 hrs	Unavoidable Loss	231
	1/2015	9	Flare 7 days	40.9 hrs	Unavoidable Loss	309
	2/2015	249	Flare 17 days	295 hrs	Unavoidable Loss	195
	3/2015	877	Flare 29 days	461.2 hrs	Unavoidable Loss / high line pressure	637
	4/2015	1,226	Flare 29 days	474.6 hrs	Unavoidable Loss / high line pressure	738
	5/2015	295	Flare 19 days	143.9 hrs	Unavoidable Loss / high line pressure	1,424
	6/2015	545	Flare 16 days	90.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	1,234
	7/2015	543	Flare 27 days	257.6 hrs	Unavoidable Loss / high line pressure	893
	8/2015	901	Flare 18 days	246.2 hrs	Unavoidable Loss / high line pressure	919
	9/2015	13	Flare 1 day	1.25 hrs	Unavoidable Loss / high line pressure	1,248
	10/2015	34	Flare 10 days	40.7 hrs	Unavoidable Loss	972
	11/2015	58	Flare 4 days	31.4 hrs	Unavoidable Loss	889
	12/2015	417	Flare 10 days	150.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	1,104
	1/2016	832	Flare 10 days	167 hrs	Unavoidable Loss / high line pressure	1,474
	2/2016	5	Flare 1 day	.8 hr	Unavoidable Loss	1,172
	3/2016	32	Flare 7 days	16.4 hrs	Unavoidable Loss	716
	4/2016	514	Flare 28 days	387 hrs	Unavoidable Loss / high line pressure	416
	5/2016	32	Flare 4 days	339 hrs	Unavoidable Loss / high line pressure	746
RHNU 103	8/2013	31	Flare 12 days	66.3 hrs	Unavoidable Loss / SUG high line pressure	790
	9/2013	1	Flare 3 days	4.5 hrs	Unavoidable Loss / SUG high line pressure	854
	10/2013	18	Flare 9 days	18.4 hrs	Unavoidable Loss / SUG high line pressure	1,345
	11/2013	5	Flare 3 days	4.2 hrs	Unavoidable Loss / SUG high line pressure	1,589
	1/2014	36	Flare 1 day	1.5 hrs	Unavoidable Loss	1,452
	2/2014	236	Flare 10 days	111.1 hrs	Unavoidable Loss	1,253
	3/2014	37	Flare 4 days	19 hrs	Unavoidable Loss	1,541
	4/2014	43	Flare 3 days	.4 hr	Unavoidable Loss	1,316
	5/2014	168	Flare 6 days	45.3 hrs	Unavoidable Loss	1,629
	6/2014	103	Flare 6 days	54.2 hrs	Unavoidable Loss	1,501
	7/2014	176	Flare 3 days	27.3 hrs	Unavoidable Loss	1,360
	8/2014	1,983	Flare 27 days	4338.3 hrs	Unavoidable Loss	708
	9/2014	582	Flare 20 days	219.2 hrs	Unavoidable Loss	651
	10/2014	232	Flare 10 days	71.5 hrs	Unavoidable Loss	785
	11/2014	1,107	Flare 10 days	137.1 hrs	Unavoidable Loss	701
	12/2014	147	Flare 13 days	76.5 hrs	Unavoidable Loss	353
	1/2015	19	Flare 7 days	40.9 hrs	Unavoidable Loss	626
	2/2015	961	Flare 17 days	295 hrs	Unavoidable Loss	752
	3/2015	723	Flare 29 days	461.2 hrs	Unavoidable Loss / high line pressure	525
	4/2015	291	Flare 29 days	474.6 hrs	Unavoidable Loss / high line pressure	175
	5/2015	140	Flare 19 days	143.9 hrs	Unavoidable Loss / high line pressure	678
	6/2015	278	Flare 16 days	90.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	628
	7/2015	304	Flare 27 days	257.6 hrs	Unavoidable Loss / high line pressure	500
	8/2015	529	Flare 18 days	246.2 hrs	Unavoidable Loss / high line pressure	540
	9/2015	11	Flare 1 day	1.25 hrs	Unavoidable Loss / high line pressure	1,055
	10/2015	30	Flare 10 days	40.7 hrs	Unavoidable Loss	883
	11/2015	62	Flare 4 days	31.4 hrs	Unavoidable Loss	948
	12/2015	239	Flare 10 days	150.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	632
	1/2016	323	Flare 10 days	167 hrs	Unavoidable Loss / high line pressure	571
	2/2016	2	Flare 1 day	.8 hr	Unavoidable Loss	511
	3/2016	18	Flare 7 days	16.4 hrs	Unavoidable Loss	396
	4/2016	16	Flare 28 days	387 hrs	Unavoidable Loss / high line pressure	13

RHNU 104	8/2013	40	Flare 12 days	66.3 hrs	Unavoidable Loss / SUG high line pressure	1,017
	9/2013	2	Flare 3 days	4.5 hrs	Unavoidable Loss / SUG high line pressure	1,058
	10/2013	10	Flare 9 days	18.4 hrs	Unavoidable Loss / SUG high line pressure	764
	11/2013	3	Flare 3 days	4.2 hrs	Unavoidable Loss / SUG high line pressure	822
	1/2014	19	Flare 1 day	1.5 hrs	Unavoidable Loss	790
	2/2014	114	Flare 10 days	111.1 hrs	Unavoidable Loss	607
	3/2014	16	Flare 4 days	19 hrs	Unavoidable Loss	669
	4/2014	19	Flare 3 days	.4 hr	Unavoidable Loss	575
	5/2014	76	Flare 6 days	45.3 hrs	Unavoidable Loss	737
	6/2014	46	Flare 6 days	54.2 hrs	Unavoidable Loss	670
	7/2014	78	Flare 3 days	27.3 hrs	Unavoidable Loss	607
	8/2014	885	Flare 27 days	4338.3 hrs	Unavoidable Loss	316
	9/2014	260	Flare 20 days	219.2 hrs	Unavoidable Loss	291
	10/2014	104	Flare 10 days	71.5 hrs	Unavoidable Loss	350
	11/2014	494	Flare 10 days	137.1 hrs	Unavoidable Loss	313
	12/2014	180	Flare 13 days	76.5 hrs	Unavoidable Loss	431
	1/2015	20	Flare 7 days	40.9 hrs	Unavoidable Loss	669
	2/2015	957	Flare 17 days	295 hrs	Unavoidable Loss	748
	3/2015	746	Flare 29 days	461.2 hrs	Unavoidable Loss / high line pressure	542
	4/2015	484	Flare 29 days	474.6 hrs	Unavoidable Loss / high line pressure	292
	5/2015	137	Flare 19 days	143.9 hrs	Unavoidable Loss / high line pressure	663
	6/2015	535	Flare 16 days	90.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	1,211
	7/2015	565	Flare 27 days	257.6 hrs	Unavoidable Loss / high line pressure	929
	8/2015	1,057	Flare 18 days	246.2 hrs	Unavoidable Loss / high line pressure	1,079
	9/2015	16	Flare 1 day	1.25 hrs	Unavoidable Loss / high line pressure	1,453
	10/2015	40	Flare 10 days	40.7 hrs	Unavoidable Loss	1,146
	11/2015	23	Flare 4 days	31.4 hrs	Unavoidable Loss	353
	12/2015	65	Flare 10 days	150.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	172
	1/2016	41	Flare 10 days	167 hrs	Unavoidable Loss / high line pressure	73
	3/2016	12	Flare 7 days	16.4 hrs	Unavoidable Loss	258
	4/2016	176	Flare 28 days	387 hrs	Unavoidable Loss / high line pressure	142
	5/2016	11	Flare 4 days	339 hrs	Unavoidable Loss / high line pressure	269
RHNU 105	8/2013	34	Flare 12 days	66.3 hrs	Unavoidable Loss / SUG high line pressure	862
	9/2013	2	Flare 3 days	4.5 hrs	Unavoidable Loss / SUG high line pressure	984
	10/2013	14	Flare 9 days	18.4 hrs	Unavoidable Loss / SUG high line pressure	1,011
	11/2013	4	Flare 3 days	4.2 hrs	Unavoidable Loss / SUG high line pressure	1,096
	1/2014	26	Flare 1 day	1.5 hrs	Unavoidable Loss	1,057
	2/2014	172	Flare 10 days	111.1 hrs	Unavoidable Loss	911
	3/2014	25	Flare 4 days	19 hrs	Unavoidable Loss	1,036
	4/2014	29	Flare 3 days	.4 hr	Unavoidable Loss	884
	5/2014	113	Flare 6 days	45.3 hrs	Unavoidable Loss	1,096
	6/2014	68	Flare 6 days	54.2 hrs	Unavoidable Loss	991
	7/2014	116	Flare 3 days	27.3 hrs	Unavoidable Loss	898
	8/2014	1,310	Flare 27 days	4338.3 hrs	Unavoidable Loss	468
	9/2014	385	Flare 20 days	219.2 hrs	Unavoidable Loss	430
	10/2014	153	Flare 10 days	71.5 hrs	Unavoidable Loss	518
	11/2014	732	Flare 10 days	137.1 hrs	Unavoidable Loss	463
	12/2014	251	Flare 13 days	76.5 hrs	Unavoidable Loss	600
	1/2015	25	Flare 7 days	40.9 hrs	Unavoidable Loss	854
	2/2015	687	Flare 17 days	295 hrs	Unavoidable Loss	537
	3/2015	760	Flare 29 days	461.2 hrs	Unavoidable Loss / high line pressure	552
	4/2015	838	Flare 29 days	474.6 hrs	Unavoidable Loss / high line pressure	505
	5/2015	277	Flare 19 days	143.9 hrs	Unavoidable Loss / high line pressure	1,336
	6/2015	278	Flare 16 days	90.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	628
	7/2015	616	Flare 27 days	257.6 hrs	Unavoidable Loss / high line pressure	1,013
	8/2015	1,096	Flare 18 days	246.2 hrs	Unavoidable Loss / high line pressure	1,119
	9/2015	15	Flare 1 day	1.25 hrs	Unavoidable Loss / high line pressure	1,369
	10/2015	35	Flare 10 days	40.7 hrs	Unavoidable Loss	1,008
	11/2015	58	Flare 4 days	31.4 hrs	Unavoidable Loss	880
	12/2015	204	Flare 10 days	150.9 hrs	Unavoidable Loss / high line pressure / Regency shut in	540
	2/2016	3	Flare 1 day	.8 hr	Unavoidable Loss	609
	3/2016	48	Flare 7 days	16.4 hrs	Unavoidable Loss	1,070
	4/2016	617	Flare 28 days	387 hrs	Unavoidable Loss / high line pressure	499
	5/2016	38	Flare 4 days	339 hrs	Unavoidable Loss / high line pressure	895

ATTACHMENT - EXHIIT B

5. Lease Serial No., continued

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location	Type	Field/Pool	County	State
NMNM104037X	NMNM108502	RHNU 102	30-025-32748-00-S1	SEC 1 T25S R33E SESE 510 FSL 660 FEL	OIL	RED HILLS	LEA	NM
NMNM104037X	NMNM108502	RHNU 103	30-025-32886-00-S1	SEC 1 T25S R33E NWSE 1430 FSL 1830 FEL	OIL	RED HILLS	LEA	NM
NMNM104037X	NMNM108502	RHNU 104	30-025-32887-00-S1	SEC 1 T25S R33E SESW 1060 FSL 1650 FWWL	OIL	RED HILLS	LEA	NM
NMNM104037X	NMNM108502	RHNU 105	30-025-33070-00-S1	SEC 1 T25S R33E SWNE 2130 FNL 2130 FEL	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.