

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM108501
2. Name of Operator EOG RESOURCES INCORPORATED /Contact: LORI J NUGENT E-Mail: Lori_Nugent@eogresources.com		6. If Indian, Allottee or Tribe Name
3a. Address MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 432-686-3670	7. If Unit or CA/Agreement, Name and/or No. NMNM104037X
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 13 T25S R33E SENE 1980FNL 990FEL 32.132319 N Lat, 103.520693 W Lon		8. Well Name and No. RED HILLS NORTH UNIT 307 /
		9. API Well No. 30-025-35639-00-S1
		10. Field and Pool or Exploratory Area RED HILLS
		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			
<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 recomplate 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 #371705 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 (47JAS02205E)**

Name (Printed/Typed)	LORI J NUGENT	Title	PREPARER
Signature	(Electronic Submission)	Date	03/30/2017

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

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)

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

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

ATTACHMENT - EXHIBIT A
 AGREEMENT
 LEASE

NMNM104037X
 NMNM108501

EQUIPMENT NAME

RHNU HALLWOOD 201 60387011 FLARE

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

WELLS		VOLUME		REASON	GAS SALES
RHNU 307	8/2013	2,202 Flare 26 days	456.4 hrs	Unavoidable Loss / SUG High Line pressure	2,998
	9/2013	3,321 Flare 30 days	703.4 hrs	Unavoidable Loss / SUG High Line pressure	2,376
	10/2013	1,868 Flare 29 days	459.3 hrs	Unavoidable Loss / SUG High Line pressure	2,911
	11/2013	90 Flare 6 days	35.3 hrs	Unavoidable Loss / SUG High Line pressure	2,918
	12/2013	63 Flare 5 days	21.9 hrs	Unavoidable Loss / SUG High Line pressure	2,905
	2/2014	55 Flare 9 days	28.2 hrs	Unavoidable Loss	2,446
	3/2014	2 Flare 2 days	1 hr	Unavoidable Loss	2,788
	5/2014	95 Flare 4 days	28.7 hrs	Unavoidable Loss	2,656
	6/2014	137 Flare 15 days	51.8 hrs	Unavoidable Loss	2,545
	7/2014	168 Flare 11 days	65.5 hrs	Unavoidable Loss	1,836
	8/2014	666 Flare 26 days	284 hrs	Unavoidable Loss	743
	9/2014	1,285 Flare 28 days	483.5 hrs	Unavoidable Loss	955
	10/2014	531 Flare 22 days	186.2 hrs	Unavoidable Loss / High Line pressure	1,546
	11/2014	1090 Flare 22 days	353.8 hrs	Unavoidable Loss	903
	12/2014	965 Flare 24 days	354.8 hrs	Unavoidable Loss	1,717
	1/2015	524 Flare 16 days	184.2 hrs	Unavoidable Loss	2,264
	2/2015	1068 Flare 27 days	403.6 hrs	Unavoidable Loss / High Line pressure / Regency shut in	1,158
	3/2015	1289 Flare 31 days	491.4 hrs	Unavoidable Loss / High Line pressure / Regency shut in	1,180
	4/2015	941 Flare 29 days	457.8 hrs	Unavoidable Loss / High Line pressure / Regency shut in	1,414
	5/2015	661 Flare 26 days	392.4 hrs	Unavoidable Loss / High Line pressure	1,182
	6/2015	634 Flare 16 days	259.7 hrs	Unavoidable Loss / High Line pressure / Regency shut in	1,091
	7/2015	1247 Flare 31 days	580.4 hrs	Unavoidable Loss / High Line pressure	557
	8/2015	1032 Flare 27 days	391.3 hrs	Unavoidable Loss / High Line pressure	900
	9/2015	478 Flare 18 days	193.5 hrs	Unavoidable Loss / High Line pressure	2,225
	10/2015	168 Flare 11 days	87 hrs	Unavoidable Loss / High Line pressure	2,623
	11/2015	72 Flare 10 days	42.7 hrs	Unavoidable Loss / High Line pressure	1,820
	12/2015	535 Flare 20 days	306 hrs	Unavoidable Loss / High Line pressure / Regency shut in	982
	1/2016	145 Flare 21 days	296.2 hrs	Unavoidable Loss / High Line pressure	292
	2/2016	6 Flare 9 days	9.3 hrs	Unavoidable Loss	1,630
	3/2016	13 Flare 9 days	16.4 hrs	Unavoidable Loss	1,288
	4/2016	526 Flare 20 days	317.7 hrs	Unavoidable Loss / High Line pressure	995
	5/2016	69 Flare 12 days	36.9 hrs	Unavoidable Loss / High Line pressure	2,351

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	NMNM108501	RHNU 307	30-025-35639-00-S1	SEC 13 T25S R33E SENE 1980 FNL 990 FEL	OIL	RED HILLS	LEA	NM
NMNM104037X	NMNM108501	RHNU 705	30-025-32631-00-S1	SEC 7 T 25S R34E SWSE 660 FSL 2111 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.