

HOEBS OCD
APR 10 2017
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Hobbs

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.
NMNM14497A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM130993

8. Well Name and No.
DIAMOND 31 FED COM 2H ✓

9. API Well No.
30-025-40484-00-S1

10. Field and Pool or Exploratory Area
RED HILLS

11. County or Parish, State
LEA COUNTY, NM

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 31 T24S R34E NWNW 50FNL 430FWL ✓

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
	<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 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 See COA 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 #371709 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 (17JAS0216SE)

Name (Printed/Typed) LORI J NUGENT

Title PREPARER

Signature (Electronic Submission)

Date 03/30/2017

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 _____

ACCEPTED FOR RECORD
MAR 30 2017
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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Accepted for Record Only

MJB/OCD 4/12/2017

ATTACHMENT - EXHIBIT A
 AGREEMENT
 LEASE

MULTIPLE - SEE ATTACHED EXHIBIT B
 NMNM14497A

EQUIPMENT NAME

DIAMOND 31 2 CTB FLARE 60187002

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

WELLS

DIAMOND 31 FC 2H

				REASON	GAS SALES
5/2013	824	Flare 2 days	24.75 hrs	Unavoidable Loss / BPV	3,169
6/2013	41	Flare 4 days	5.5 hrs	Unavoidable Loss	54,318
7/2013	29,449	Flare 30 days	707.5 hrs	Unavoidable Loss / DCP High Line Pressure	36,179
8/2013	30,688	Flare 31 days	743.5 hrs	Unavoidable Loss / DCP High Line Pressure	0
9/2013	26,325	Flare 30 days	720 hrs	Unavoidable Loss / DCP High Line Pressure	0
10/2013	3,124	Flare 30 days	599.3 hrs	Unavoidable Loss / DCP High Line Pressure	0
11/2013	2,958	Flare 26 days	394.7 hrs	Unavoidable Loss / DCP High Line Pressure	0
12/2013	252	Flare 12 days	189 hrs	Unavoidable Loss / DCP High Line Pressure	0
1/2014	2,094	Flare 9 days	95.6 hrs	Unavoidable Loss	14,674
5/2014	3	Flare 2 days	.2 hrs	Unavoidable Loss	24,683
6/2014	1,434	Flare 12 days	206 hrs	Unavoidable Loss / compressor issues	714
7/2014	1,011	Flare 29 days	662 hrs	Unavoidable Loss / High Line Pressure	0
8/2014	103	Flare 29 days	383.8 hrs	Unavoidable Loss / High Line Pressure / compressor issues	538
9/2014	258	Flare 20 days	142 hrs	Unavoidable Loss / High Line Pressure / compressor issues	14,461
10/2014	2,712	Flare 22 days	425.7 hrs	Unavoidable Loss / High Line Pressure	37,405
11/2014	2,997	Flare 20 days	277.5 hrs	Unavoidable Loss / compressor issues	37,968
12/2014	1,844	Flare 27 days	325.5 hrs	Unavoidable Loss	47,360
1/2015	11	Flare 2 days	4.5 hrs	Unavoidable Loss	49,945
2/2015	497	Flare 1 day	8 hrs	Unavoidable Loss	42,394
4/2015	276	Flare 3 days	28 hrs	Unavoidable Loss	36,345
6/2015	6	Flare 1 day	2 hrs	Unavoidable Loss	14,792
7/2015	2	Flare 1 day	.3 hr	Unavoidable Loss	31,530
8/2015	5,118	Flare 4 days	78.3 hrs	Unavoidable Loss / compressor issues	38,242
2/2016	625	Flare 6 days	47.6 hrs	Unavoidable Loss / compressor issues	7,234
3/2016	36	Flare 2 days	1 hr	Unavoidable Loss	34,382
4/2016	178	Flare 4 days	4.5 hrs	Unavoidable Loss	39,934
5/2016	1,396	Flare 14 days	59.5 hrs	Unavoidable Loss	45,701

DIAMOND 31 FC 3H

5/2013	457	Flare 2 days	24.75 hrs	Unavoidable Loss / BPV	2,334
6/2013	37	Flare 4 days	5.5 hrs	Unavoidable Loss	48,551
7/2013	26,912	Flare 30 days	707.5 hrs	Unavoidable Loss / DCP High Line Pressure	33,062
8/2013	31,980	Flare 31 days	743.5 hrs	Unavoidable Loss / DCP High Line Pressure	0
9/2013	22,100	Flare 30 days	720 hrs	Unavoidable Loss / DCP High Line Pressure	0
10/2013	18,128	Flare 30 days	599.3 hrs	Unavoidable Loss / DCP High Line Pressure	56,560
11/2013	16,875	Flare 26 days	394.7 hrs	Unavoidable Loss / DCP High Line Pressure	59,379
12/2013	4,948	Flare 12 days	189 hrs	Unavoidable Loss / DCP High Line Pressure	59,095
1/2014	48	Flare 9 days	95.6 hrs	Unavoidable Loss	0
5/2014	4	Flare 2 days	.2 hrs	Unavoidable Loss	32,005
6/2014	617	Flare 12 days	206 hrs	Unavoidable Loss / compressor issues	1,587
7/2014	3,418	Flare 29 days	662 hrs	Unavoidable Loss / High Line Pressure	4,031
8/2014	5,243	Flare 29 days	383.8 hrs	Unavoidable Loss / High Line Pressure / compressor issues	44,617
9/2014	1,303	Flare 20 days	142 hrs	Unavoidable Loss / High Line Pressure / compressor issues	72,053
10/2014	5,506	Flare 22 days	425.7 hrs	Unavoidable Loss / High Line Pressure	70,040
11/2014	6,053	Flare 20 days	277.5 hrs	Unavoidable Loss / compressor issues	76,004
12/2014	2,538	Flare 27 days	325.5 hrs	Unavoidable Loss	65,127
1/2015	16	Flare 2 days	4.5 hrs	Unavoidable Loss	67,648
2/2015	644	Flare 1 day	8 hrs	Unavoidable Loss	54,974
4/2015	472	Flare 3 days	28 hrs	Unavoidable Loss	62,201
6/2015	23	Flare 1 day	2 hrs	Unavoidable Loss	53,563
7/2015	3	Flare 1 day	.3 hr	Unavoidable Loss	50,339
8/2015	6,337	Flare 4 days	78.3 hrs	Unavoidable Loss / compressor issues	48,676
2/2016	2,163	Flare 6 days	47.6 hrs	Unavoidable Loss / compressor issues	36,534
3/2016	27	Flare 2 days	1 hr	Unavoidable Loss	43,582
4/2016	190	Flare 4 days	4.5 hrs	Unavoidable Loss	45,579
5/2016	2,017	Flare 14 days	59.5 hrs	Unavoidable Loss	51,610

DIAMOND 31 FC 4H

6/2013	28	Flare 4 days	5.5 hrs	Unavoidable Loss	37,712
7/2013	23,632	Flare 30 days	707.5 hrs	Unavoidable Loss / DCP High Line Pressure	29,032
8/2013	65,983	Flare 31 days	743.5 hrs	Unavoidable Loss / DCP High Line Pressure	53,959
9/2013	53,118	Flare 30 days	720 hrs	Unavoidable Loss / DCP High Line Pressure	40,310
10/2013	15,938	Flare 30 days	599.3 hrs	Unavoidable Loss / DCP High Line Pressure	49,727
11/2013	14,948	Flare 26 days	394.7 hrs	Unavoidable Loss / DCP High Line Pressure	52,941
12/2013	4,286	Flare 12 days	189 hrs	Unavoidable Loss / DCP High Line Pressure	51,635
5/2014	1	Flare 2 days	.2 hrs	Unavoidable Loss	13,068
6/2014	9,763	Flare 12 days	206 hrs	Unavoidable Loss / compressor issues	25,104
7/2014	42,773	Flare 29 days	662 hrs	Unavoidable Loss / High Line Pressure	50,450
8/2014	6,096	Flare 29 days	383.8 hrs	Unavoidable Loss / High Line Pressure / compressor issues	51,873

9/2014	846 Flare 20 days	142 hrs	Unavoidable Loss / High Line Pressure / compressor issues	46,811
10/2014	4,626 Flare 22 days	425.7 hrs	Unavoidable Loss / High Line Pressure	58,839
11/2014	4,211 Flare 20 days	277.5 hrs	Unavoidable Loss / compressor issues	52,877
12/2014	1,947 Flare 27 days	325.5 hrs	Unavoidable Loss	49,960
1/2015	11 Flare 2 days	4.5 hrs	Unavoidable Loss	48,019
2/2015	468 Flare 1 day	8 hrs	Unavoidable Loss	39,930
4/2015	411 Flare 3 days	28 hrs	Unavoidable Loss	54,162
6/2015	21 Flare 1 day	2 hrs	Unavoidable Loss	50,435
7/2015	3 Flare 1 day	.3 hr	Unavoidable Loss	45,262
8/2015	5,887 Flare 4 days	78.3 hrs	Unavoidable Loss / compressor issues	45,260
3/2016	41 Flare 2 days	1 hr	Unavoidable Loss	29,815
4/2016	153 Flare 4 days	4.5 hrs	Unavoidable Loss	34,068
5/2016	1,232 Flare 14 days	59.5 hrs	Unavoidable Loss	40,696

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
NMNM130993	NMNM14497A	DIAMOND 31 FC 2H ✓	30-025-40484-00-S1	SEC 31 T24S R34E NWNW 50 FNL 430 FWL	OIL	RED HILLS	LEA	NM
NMNM130993	NMNM14497A	DIAMOND 31 FC 3H ✓	30-025-40485-00-S1	SEC 31 T24S R34E NWNW 370 FNL 1310 FWL	OIL	RED HILLS	LEA	NM
NMNM130993	NMNM14497A	DIAMOND 31 FC 4H ✓	30-025-40486-00-S1	SEC 31 T24S R34E NENW 280 FNL 2188 FWL	OIL	RED HILLS	LEA	NM
	NMNM14497A	DIAMOND 6 FED 1	30-025-27928-00-S1	SEC 6 T25S R34E SWNE 1650 FNL 1980 FEL	GAS	PITCHFORK RANCH	LEA	NM
	NMNM14497A	DAIMOND 6 FED 2	30-025-36628-01-S1	SEC 6 T25S R34E NENW 2140 FNL 330 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.