

HOBBS OCD

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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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM122621
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. NMNM132968
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T26S R33E NENE 150FNL 170FEL ✓ 32.050173 N Lat, 103.534674 W Lon		8. Well Name and No. WHIRLING WIND 14 FED COM 1H ✓
		9. API Well No. 30-025-41212-00-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
	<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 recomple 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 recomple 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 ^{see COAS} free flare dispositions under NTL-4A.

See attached Exhibit A for detailed flare information

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

**Electronic Submission #371707 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 (17JAS0218SE)**

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 _____
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
MRS/OCD 4/12/2017

ATTACHMENT - EXHIBIT A
 AGREEMENT
 LEASE

NMNM132968
 NMNM122621

EQUIPMENT NAME

WHIRLING WIND 14 FC 1 FL 60387020

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
WHIRLING WIND 14 FC 1	12/2013	8,942 Flare 12 days	197 hrs	Unavoidable Loss / new well IP 12/12/2013	9,441
	1/2014	9,746 Flare 30 days	379 hrs	Unavoidable Loss / new well IP / compressor problems	12,431
	2/2014	4,687 Flare 7 days	118.5 hrs	Unavoidable Loss / compressor problems due to frozen equipment	3,940
	3/2014	817 Flare 9 days	36 hrs	Unavoidable Loss / compressor problems	6,678
	4/2014	2,934 Flare 24 days	160.7 hrs	Unavoidable Loss / compressor problems	19,925
	5/2014	3,168 Flare 7 days	45 hrs	Unavoidable Loss / compressor problems / Regency shut in	12,089
	6/2014	5 Flare 1 day	.2 hrs	Unavoidable Loss	58,766
	8/2014	218 Flare 2 days	6 hrs	Unavoidable Loss	48,664
	9/2014	143 Flare 1 day	3.75 hrs	Unavoidable Loss	38,892
	10/2014	1,470 Flare 3 days	50.75 hrs	Unavoidable Loss	27,262
	11/2014	591 Flare 14 days	16.5 hrs	Unavoidable Loss	21,983
	12/2014	205 Flare 25 days	5.3 hrs	Unavoidable Loss / compressor issues	20,846
	1/2015	1,532 Flare 23 days	43.5 hrs	Unavoidable Loss / compressor issues / Regency shut in	20,449
	2/2015	2,499 Flare 11 days	70 hrs	Unavoidable Loss / compressor problems due to frozen equipment	31,446
	3/2015	4,600 Flare 12 days	121.5 hrs	Unavoidable Loss / compressor problems due to frozen equipment	51,583
	4/2015	4,774 Flare 15 days	182.8 hrs	Unavoidable Loss	22,827
	5/2015	868 Flare 4 days	28.5 hrs	Unavoidable Loss	36,998
	6/2015	2,411 Flare 8 days	91.5 hrs	Unavoidable Loss	32,910
	8/2015	2,075 Flare 7 days	54.5 hrs	Unavoidable Loss / compressor issues	3,708
	9/2015	684 Flare 10 days	25.8 hrs	Unavoidable Loss / compressor issues / Regency shut in	5,903
	10/2015	21 Flare 1 day	.75 hrs	Unavoidable Loss / compressor issues	8,442
	11/2015	27 Flare 2 days	1.5 hrs	Unavoidable Loss / compressor issues	7,499
	12/2015	2,519 Flare 13 days	124.5 hrs	Unavoidable Loss / compressor issues / Regency shut in	0
	1/2016	1,882 Flare 11 days	97.7 hrs	Unavoidable Loss / Regency shut in	0
	2/2016	72 Flare 2 days	1 hr	Unavoidable Loss	0
	3/2016	922 Flare 5 days	10.5 hrs	Unavoidable Loss	18,261
	4/2016	3 Flare 2 days	.3 hrs	Unavoidable Loss	14,939
	5/2016	440 Flare 3 days	10.5 hrs	Unavoidable Loss	17,745

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.