

UNITED STATES **Carlsbad Field Office**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT **OCD 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.

5. Lease Serial No.
NMLC058408B

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2
HOBBS OCD

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
MCA UNIT 126 ✓

2. Name of Operator
CONOCOPHILLIPS COMPANY ✓ Contact: JEFF KAUSER
E-Mail: Jeffrey.Kauser@conocophillips.com

9. API Well No.
30-025-12709

3a. Address
3300 N "A" STREET, BLDG 6
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 432-688-9038

10. Field and Pool or Exploratory Area
MALJAMAR; YESO WEST

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 26 T17S R32E Mer NMP NENE 660FNL 660FEL ✓

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 checked="" 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 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.

ConocoPhillips Company requests approval to replace the existing flare at the MCA Battery No. 4 located in the NENE of Section 26, T17S, R32E, NMPM, Lea County, New Mexico.

The new flare will be 30ft in height with a 75ft radius caliche pad. The increase in caliche pad size is necessary to establish a safety zone around the flare for safety purposes. The increase in acreage of the safety zone around the base of flare will be utilizing prior disturbance/existing right of way.

The flare will be used solely for the MCA Battery No. 4 production. There are 39 Wells that utilize MCA Battery No. 4. For reference a list of production wells has been attached.

The project has become necessary in order to be able to produce from the MCA Battery No. 4 since

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

**Electronic Submission #373069 verified by the BLM Well Information System
For CONOCOPHILLIPS COMPANY, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/18/2017 ()**

Name (Printed/Typed) MYRA HARRISON	Title SURFACE LAND CONTRACT AGENT
Signature (Electronic Submission)	Date 04/17/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By J. D. Whitlock Title TLDET Date 6/15/17

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 CFU

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) **** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

*MDS/OCD
6/20/2017*

Additional data for EC transaction #373069 that would not fit on the form

32. Additional remarks, continued

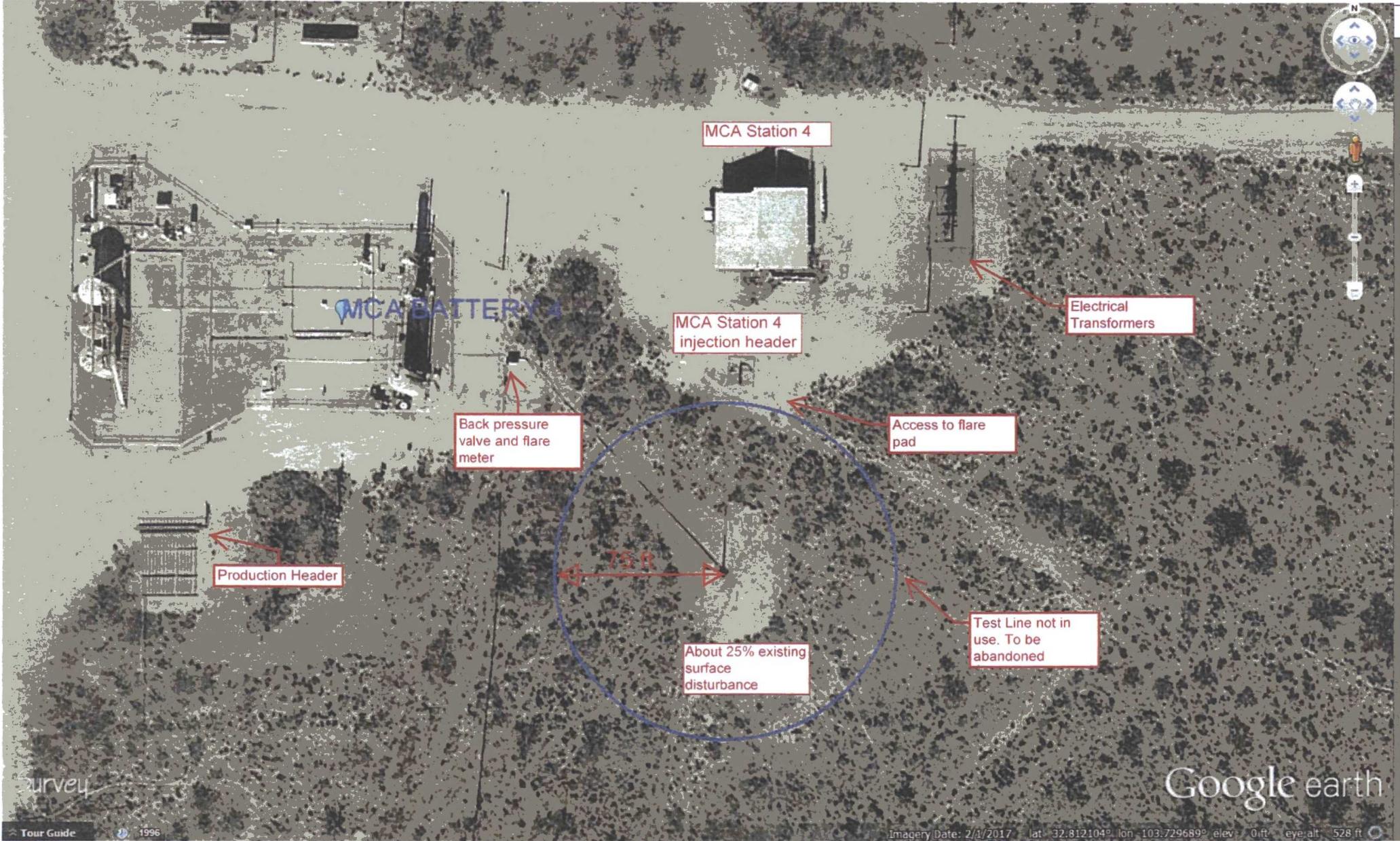
Frontier's plant can no longer buy gas due to the high N2 content.

The flare will be used for the life of the well field.

The flare will be used year round from 1/1 to 12/31.

Construction of the flare will take place on or near July 1, 2017. Estimated construction time is approximately 2 months.

Please contact ConocoPhillips Company's local Surface Land Contract Agent, Myra Harrison at 575-441-1805 for additional information or assistance concerning this project.



MCA Station 4

MCA Station 4 injection header

Electrical Transformers

Access to flare pad

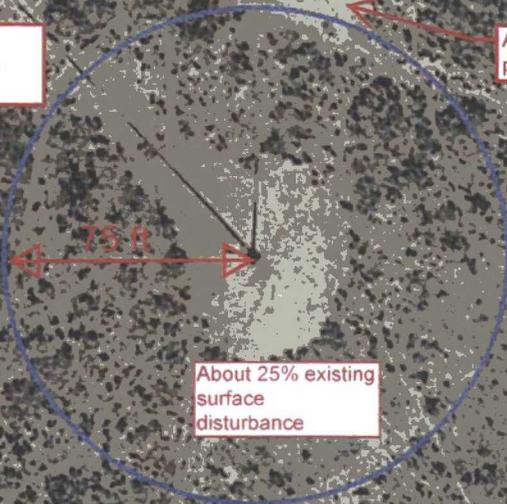
Back pressure valve and flare meter

Test Line not in use. To be abandoned

About 25% existing surface disturbance

Production Header

MCA BATTERY



Survey

Google earth

ConocoPhillips Company
MCA Battery No. 4 Wells

<u>4A header</u>	<u>4B header</u>	<u>4C header</u>
MCA 126	MCA 083	MCA 128
MCA 142	MCA 330	MCA 130
MCA 322	MCA 354	MCA 136
MCA 337	MCA 367	MCA 138
MCA 343	MCA 375	MCA 140
MCA 347	MCA 376	MCA 191
MCA 348	MCA 377	MCA 192
MCA 351	MCA 488	MCA 193
MCA 366		MCA 196
MCA 401		MCA 313
MCA 448		MCA 334
MCA 459		MCA 344
MCA 460		MCA 352
MCA 461		MCA 390
MCA 464		MCA 392
		MCA 398

ConocoPhillips Company
MCA Battery No.4 Combustor Upgrade
Sundry Notice Electronic Submission #3730069
Exhibit A

ConocoPhillips Company requests approval to replace the existing combustor at the MCA Battery No.4 located in the NENE of Section 26, T17S, R32E, NMPM, Lea County, New Mexico.

ConocoPhillips Company plans to replace the MCA Battery No.4 existing 20ft tall combustor with combustor that is currently located at the MCA Battery No.2. The replacement combustor will be 30ft in height with a 75ft radius caliche pad. The increase in caliche pad size is necessary to establish a larger safety zone around the base of flare for fire & safety purposes. The caliche pad will be utilizing surface that has had prior disturbance/existing right of way.

There are 39 wells that currently utilize the MCA Battery No. 4 for production purposes. The combustor will be utilized solely for MCA Battery No. 4 production and only be used during emergency situations, when Frontier Gas Plant cannot accept gas. During the past year, this type of situation has occurred approximately 20 times. Each occurrence lasted approximately less than 24 hrs. up to one week.

A flowmeter will be installed on the gas line to the combustor to measure the volume of gas being flared. The meter readings will be reported to the BLM for royalty purposes. It is estimated that approximately 140/MCF/D or 2800 MCF/YR of gas will be flared.

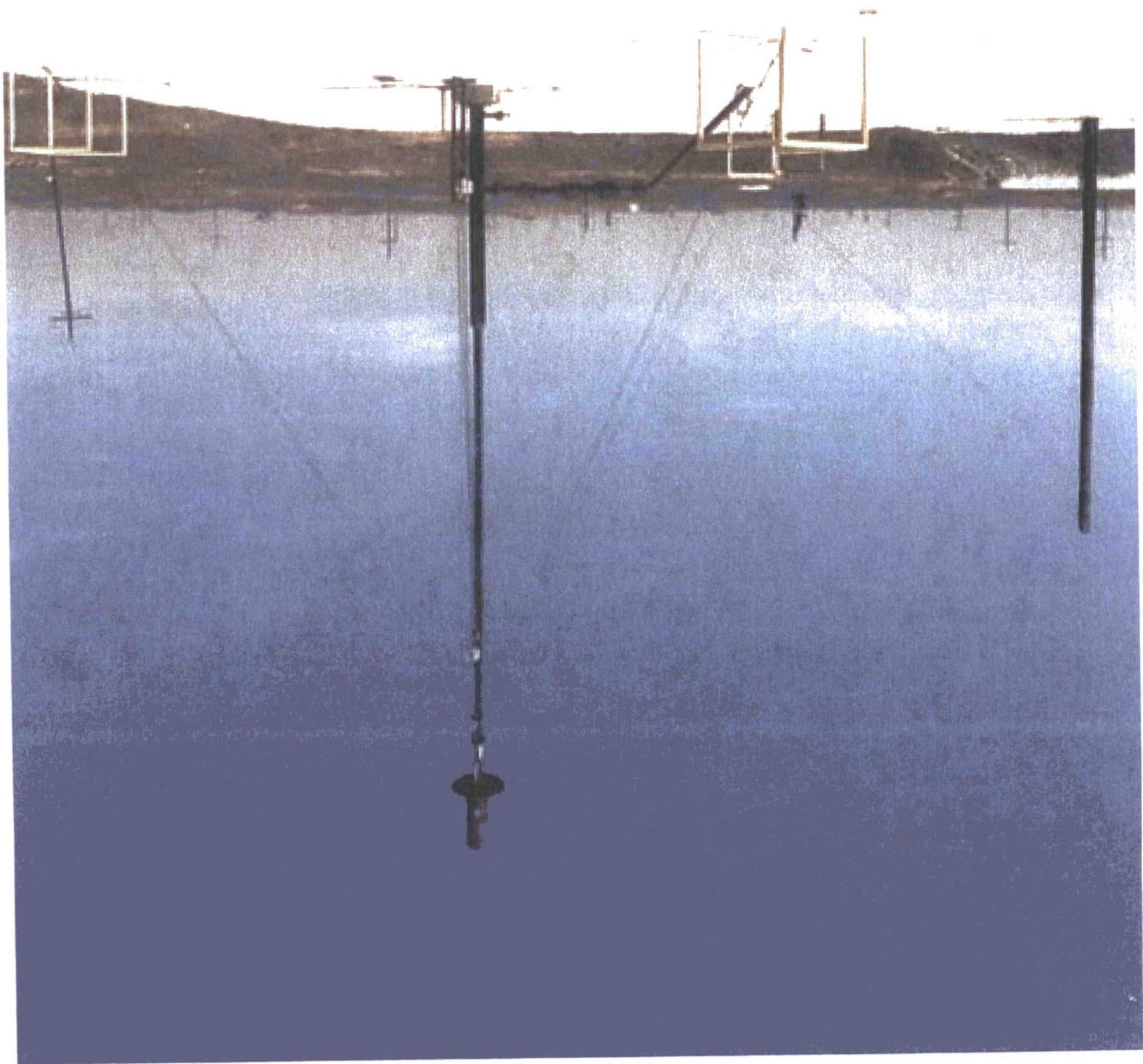
The flowmeter's Serial No. is 104850.

The combustor will be used for the life of the well field.

The combustor will be utilized year around but only during emergency situations.

Construction will take place on or near July 1, 2017. Estimated construction time is approximately 2 months.

Please contact ConocoPhillips Company's local Surface Land Contract Agent, Myra Harrison at 575-441-1805 for additional information or assistance concerning this project.





TOTALFLOW Products

MADE IN U.S.A.

7051 Industrial Blvd, Bartlesville, OK 74006 800-442-3097 www.totalflow.com

MODEL 6413Y1F2AH3J722A23A3C26A
400FXX5A6A8G10A11A12AUAA13AA
25A26A

SERIAL NO. 104850

MAX ALLOWABLE WORKING PRESSURE
OF FCU IS THE PSI RANGE STATED
ON THE TRANSDUCER

AMBIENT TEMPERATURE
-40° F TO 140° F

CLASS I, DIV 2, GROUPS C, D T4 TYPE 3R
NON-INCENDIVE WHEN INSTALLED
PER ABB DOC. NO: 2015246-CD

MAX POWER CONSUMPTION:
23.5V, 50mA



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

ConocoPhillips Company
MCA Battery No. 4 / NENE, Sec. 26, T17S, R32E
To include 39 wells
NMNM70987A

June 15, 2017

Pursuant to, 43 CFR 3179

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. 43 CFR 3179.105 **Emergencies** (a) An operator may flare or, if flaring is not feasible given the emergency, vent gas royalty-free under §3179.4 (a) (vi) of this subpart during an emergency. For purposes of this subpart, an "emergency" is a temporary, infrequent and unavoidable situation in which the loss of gas or oil is uncontrollable or necessary to avoid risk of an immediate and substantial adverse impact on safety, public health, or the environment. For purposes of royalty assessment, an "emergency" is limited to a short-term situation of 24 hours or less (unless the BLM agrees that the emergency conditions necessitating venting or flaring extend for a longer period) caused by an unanticipated event or failure that is out of the operator's control and was not due to operator negligence.
- B. 43 CFR 3179.4 **Determining when the loss of oil or gas is avoidable or unavoidable.**
(2) *Avoidably lost oil* or gas means: Lost oil or gas that is not "unavoidably lost," as defined in paragraph (a) of this section; waste oil that became waste oil through operator negligence; and, any "excess flared gas," as defined in §3179.7.
- C. 43 CFR 3179.5 **When lost production is subject to royalty.**
(a) Royalty is due on all avoidably lost oil or gas.
(b) Royalty is not due on any unavoidably lost oil or gas.

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). 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":
These flare events will require prior approval via Notice of Intent- Sundry Notice (Form 3160-5). Volumes flared beyond limits defined in 43 CFR 3179.7 are considered "avoidably lost" and will require payment of royalties, unless an exception is granted in accordance with 43 CFR 3179. 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 43 CFR 3179.4, 3179.103 - 3179.105. 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. 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.
4. In determining the volumes of gas to be reported, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
5. The BLM CFO will require flare gas to be metered to meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175 (due to volume of gas being flared). 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.

Regulation Ref: Link to 43 CFR 3179 **Waste Prevention and Resources Conservation**;
<https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43.2.3170.3179&r=SUBPART>