UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OCD Hobbs HOBBS OCD Lease Serial No. NMNM31224

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

	II. Use form 3160-3 (APD) for			e or Tribe Name
SUBMIT IN T	TRIPLICATE - Other instruction	ns on page 2 REC	7. If Unit or CA/Ag	reement, Name and/or No.
1. Type of Well	8. Well Name and N			
☑ Oil Well ☐ Gas Well ☐ Other				30 FEDERAL 1₹
2. Name of Operator Contact: AMTITHY E CRAWFORD CIMAREX ENERGY COMPANY OF CO-Mail: acrawford@gmail.com			9. API Well No. 30-025-41174-00-S1	
3a. Address 202 S CHEYENNE AVE. SUIT TULSA, OK 74103	hone No. (include area code) 432-620-1909	10. Field and Pool of TRIPLE X	10. Field and Pool or Exploratory Area TRIPLE X	
4. Location of Well (Footage, Sec., T		11. County or Parish	11. County or Parish, State	
Sec 30 T23S R33E SWSW 33		LEA COUNTY	/, NM	
12. CHECK THE AI	PPROPRIATE BOX(ES) TO IN	DICATE NATURE OF	NOTICE, REPORT, OR O	ΓHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION			
Notice of Intent	☐ Acidize	□ Deepen	☐ Production (Start/Resume)	■ Water Shut-Off
_	☐ Alter Casing	☐ Hydraulic Fracturing	□ Reclamation	■ Well Integrity
☐ Subsequent Report	☐ Casing Repair	■ New Construction	☐ Recomplete	⊠ Other
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	□ Temporarily Abandon	Venting and/or Flari
	☐ Convert to Injection	☐ Plug Back	■ Water Disposal	
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. Cimarex requests to flare approximately 250 mcf through April 1st 2017 through June 30th 2017 due to compressor problems SEE ATTACHED FOR CONDITIONS OF APPROVAL				
14. I hereby certify that the foregoing is	Electronic Submission #371803	COMPANY OF CO, sent	to the Hobbs	
Name (Printed/Typed) AMTITHY	Title REGUL	ATORY ANALYST		
Signature (Electronic S	Submission)	Date 03/31/20	017	
	THIS SPACE FOR FE	DERAL OR STATE	OFFICE USE	
_Approved By _OMAR_ALOMAR		TitlePETROLE	UM ENGINEER	Date 07/10/2017
Conditions of approval, if any, are attache certify that the applicant holds legal or equ which would entitle the applicant to condu		Office Hobbs		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a crime for statements or representations as to any	or any person knowingly and matter within its jurisdiction.	willfully to make to any department	or agency of the United

(Instructions on page 2)
*** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **



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

CIMAREX ENERGY CO. OF COLORADO
TRISTE DRAW 30 FEDERAL 1H
NMNM31224

07/10/2017

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

- The first 24 hours of a <u>temporary emergency flare</u> 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. Approval not to exceed 90 days, (from 04/01/2017 to 06/30/2017), if flaring is still required past 60 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, shall be in accordance with 43 CFR 3179.4, 43 CFR 3179.5, 43 CFR 3179.9 and 43 CFR 3179.10
- 6. The operator must estimate or measure all volumes of gas vented or flared gas by one of the following methods.
 - Measure the flare gas by a meter. The meter shall meet all requirements for a sales meter as per Federal Regulations, 43 CFR 3175. Include meter serial number on Sundry Notice (Form 3160-5).
 - ii. Calculate the volume of the flared gas based on the results of a regularly performed GOR test and measured values for the volumes of oil production and gas sales, so as to allow BLM to independently verify the volume, rate, and heating value of the gas flared.

Regulation Ref: Link to 43 CFR 3179 **Waste Prevention and Resources Conservation**; https://www.ecfr.gov/cgi-

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