21(0 5							
Form 3160-5 June 2015)	UNITED STATES		NN	IOCD		APPROVED), 1004-0137	
BU	JREAU OF LAND MANA	GEMENT	н	obbs	5 Lease Serial No.	nuary 31, 2018	
SUNDRY Do not use thi	NOTICES AND REPO s form for proposals to II. Use form 3160-3 (API	RTS ON WE drill or to re-	LLS HOBI	35 00	NMLC056968		
abandoned wel	II. Use form 3160-3 (API	D) for such p	roposals.	0 2 2017	6. If Indian, Allottee of	Tribe Name	
SUBMIT IN 1	RIPLICATE - Other inst	ructions on p	ano 2	CEIVE	7. If Unit or CA/Agree	ment, Name and/or No.	
1. Type of Well Gas Well Other					8. Well Name and No. LANGLIE MATTIX QUEEN UNIT 037		
2. Name of Operator LINN OPERATING, INC.	9. API Well No. 30-025-23780						
3a. Address 3b. Phone No. (include area code) 600 TRAVIS SUITE 1400 Ph: 281-840-4208 HOUSTON, TX 77002 Fx: 832-456-5972					10. Field and Pool or Exploratory Area LANGLIE MATTIX;7 RVRS S G		
4. Location of Well (Footage, Sec., T.)	11. County or Parish, State			State		
Sec 15 T25S R37E Mer 6PM I 32.128536 N Lat, 103.152824		LEA COUNTY COUNTY, NM					
12. CHECK THE AP	PROPRIATE BOX(ES)	TO INDICAT	E NATURE O	F NOTICE,	REPORT, OR OTH	ER DATA	
TYPE OF SUBMISSION							
Notice of Intent	C Acidize	Deep	en	Product	ion (Start/Resume)	U Water Shut-Off	
Subsequent Report	Alter Casing		aulic Fracturing	Reclam		U Well Integrity	
	Casing Repair	-	Construction	Recomp		Venting and/or Fla	
Final Abandonment Notice	 Change Plans Convert to Injection 	Plug Plug	and Abandon	□ Tempor	arily Abandon	ng	
THE WELLS INCLUDED IN T	IIIO DATTENT.						
			SEE A	TTACH	IED FOR		
			COND	ITIONS	S OF APPRO	AL	
				\sim		11	
				\square	//		
14. I hereby certify that the foregoing is	true and correct. Electronic Submission # For LINN (374051 verified	by the BLM Wel	I Information	n System	///	
	Committed to AFMSS for p	processing by	DEBORAH MOK	NNEY on 04	27/2017 () / /	///	
Name(Printed/Typed) MINDY K	KOTESKY		Title REULA	TORY SPE	DATISTINED		
Signature (Electronic S	submission)		Date 04/26/2	017	1 1 2017	Ma	
	THIS SPACE FO	R FEDERA		OFFICEU	SE		
Approved By			Title	BUREAU C	F LAND MARKEN	Date	
onditions of approval, if any, are attached ertify that the applicant holds legal or equ	itable title to those rights in the		Office	CARL		//	
hich would entitle the applicant to condu itle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s	U.S.C. Section 1212, make it a	crime for any per to any matter wit	son knowingly and	willfully to ma	ake to any department or	agency of the United	
instructions on page 2)	OR-SUBMITTED ** O		V	* OPERAT	OR-SUBMITTED	*/	
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LANGLIE MATTIX QUEEN UNIT BATTERY

30-025-11522LANGLIE MATTIX QUEEN UNIT#004//OilPrivate30-025-11521LANGLIE MATTIX QUEEN UNIT#005//OilPrivate30-025-11517LANGLIE MATTIX QUEEN UNIT#006//OilPrivate30-025-11539LANGLIE MATTIX QUEEN UNIT#008//OilPrivate30-025-23863LANGLIE MATTIX QUEEN UNIT#009//OilPrivate30-025-11603LANGLIE MATTIX QUEEN UNIT#010//OilPrivate30-025-11609LANGLIE MATTIX QUEEN UNIT#012//OilPrivate30-025-11599LANGLIE MATTIX QUEEN UNIT#012//OilPrivate30-025-11599LANGLIE MATTIX QUEEN UNIT#020//OilPrivate	API	WELL NAME	WELL NUMBER	TYPE	LEASE
30-025-11517LANGLIE MATTIX QUEEN UNIT#006OilPrivate30-025-11539LANGLIE MATTIX QUEEN UNIT#008OilPrivate30-025-23863LANGLIE MATTIX QUEEN UNIT#009OilPrivate30-025-11603LANGLIE MATTIX QUEEN UNIT#010OilPrivate30-025-11609LANGLIE MATTIX QUEEN UNIT#012OilPrivate	30-025-11522	LANGLIE MATTIX QUEEN UNIT	#004	Oil	Private
30-025-11539LANGLIE MATTIX QUEEN UNIT#008OilPrivate30-025-23863LANGLIE MATTIX QUEEN UNIT#009OilPrivate30-025-11603LANGLIE MATTIX QUEEN UNIT#010OilPrivate30-025-11609LANGLIE MATTIX QUEEN UNIT#012OilPrivate	30-025-11521	LANGLIE MATTIX QUEEN UNIT	#005	Oil	Private
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30-025-11603LANGLIE MATTIX QUEEN UNIT#010OilPrivate30-025-11609LANGLIE MATTIX QUEEN UNIT#012OilPrivate	30-025-11539	LANGLIE MATTIX QUEEN UNIT	#008	Oil	Private
30-025-11609 LANGLIE MATTIX QUEEN UNIT #012 Oil Private	30-025-23863	LANGLIE MATTIX QUEEN UNIT	#009	Oil	Private
	30-025-11603	LANGLIE MATTIX QUEEN UNIT	#010	Oil	Private
30-025-11599 LANGLIE MATTIX OUEEN UNIT #020 Oil Private	30-025-11609	LANGLIE MATTIX QUEEN UNIT	#012	Oil	Private
	30-025-11599	LANGLIE MATTIX QUEEN UNIT	#020	Oil	Private
30-025-11600 LANGLIE MATTIX QUEEN UNIT #024 Oil Private	30-025-11600	LANGLIE MATTIX QUEEN UNIT	#024	Oil	Private
30-025-11695 LANGLIE MATTIX QUEEN UNIT #029 / / Oil Private	30-025-11695	LANGLIE MATTIX QUEEN UNIT	#029 /	Oil	Private
30-025-11689 LANGLIE MATTIX QUEEN UNIT #034 / Oil Private	30-025-11689	LANGLIE MATTIX QUEEN UNIT	#034 /	Oil	Private
30-025-23780 LANGLIE MATTIX QUEEN UNIT #037 V Oil Federal	30-025-23780	LANGLIE MATTIX QUEEN UNIT	#037	Oil	Federal
30-025-23766 LANGLIE MATTIX QUEEN UNIT #038 / Oil Private	30-025-23766	LANGLIE MATTIX QUEEN UNIT	#038 /	Oil	Private
30-025-11688 LANGLIE MATTIX QUEEN UNIT #040 / Oil Private	30-025-11688	LANGLIE MATTIX QUEEN UNIT	#040 🗸	Oil	Private
30-025-30747 LANGLIE MATTIX QUEEN UNIT #041 🗸 🖉 Oil Private	30-025-30747	LANGLIE MATTIX QUEEN UNIT	#041 -	Oil	Private
30-025-30750 LANGLIE MATTIX QUEEN UNIT #044 🗸 Oil Private	30-025-30750	LANGLIE MATTIX QUEEN UNIT	#044	Oil	Private

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

Pursuant to, 43 CFR 3179

Lessees or operators are hereby authorized to vent or flare gas on a short-term basis <u>without incurring a</u> <u>royalty</u> 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.

 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). <u>Include method for volume determination and duration</u>. <u>Report</u> <u>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.</u>
- 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 (due to volume of gas being flared). Include meter serial number on Sundry Notice (Form 3160-5).
 - 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-

bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true &n=sp43.2.3170.3179&r=SUBPART