

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**NMOCD**  
**Hobbs**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**HOBBS OCD**  
ANG 00-2247  
**RECEIVED**

**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.  
NMLC070315

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
NMNM134768

8. Well Name and No.  
PALOMA 21 FEDERAL COM 1H

9. API Well No.  
30-025-41993

10. Field and Pool or Exploratory Area  
LEA;BONE SPRING, SOUTH

11. County or Parish, State  
LEA COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
FASKEN OIL AND RANCH, LTD. Contact: ADDISON LONG  
E-Mail: addisonl@forl.com

3a. Address  
6101 HOLIDAY HILL ROAD  
MIDLAND, TX 79707

3b. Phone No. (include area code)  
Ph: 432-687-1777

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 21 T20S R34E NWNW 200FNL 675FWL

**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.

Fasken Oil and Ranch, Ltd. requests to flare casinghead gas for the following wells:

Paloma "21" Federal No. 1H will be flaring 500 mcfpd. Well info can be found above

Paloma "21" Federal No. 2H will be flaring 530 mcfpd. API 025-41994. UL: C, Sec 21, T20S, R34E, 200' FNL & 1650' FWL.

Paloma "21" Federal No. 3H will be flaring 570 mcfpd. API 025-41995. UL: B, Sec 21, T20S, R34E, 350' FNL & 2200' FEL.

Paloma "21" Federal No. 4H will be flaring 200 mcfpd. API 025-41947. UL: A, Sec 21, T20S, R34E, 200' FNL & 185' FEL.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

nmnm 135022  
nmnm 134674  
nmnm 134773

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

Electronic Submission #373048 verified by the BLM Well Information System  
For FASKEN OIL AND RANCH, LTD., sent to the Hobbs  
Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/18/2017 ( )

Name (Printed/Typed) ADDISON LONG

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 04/17/2017

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE** JUL 18 2017

**APPROVED**  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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

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 \*\***

MJS/OCD 8/8/2017

**Additional data for EC transaction #373048 that would not fit on the form**

**32. Additional remarks, continued**

All wells share the same field: Lea; Bone Spring, South.

Targa's Gas Plant will be down for atleast 5 days, May 8-May 12 2017. We would like to go ahead and request a 30 day request, in case of unforeseen issues.



**TARGA**

Targa Midstream Services  
Limited Partnership  
Suite 4300  
1000 Louisiana  
Houston, Texas 77002  
[www.targaresources.com](http://www.targaresources.com)

Date: April 10, 2017

FASKEN OIL AND RANCH LTD  
[MARKETING@FORL.COM](mailto:MARKETING@FORL.COM)

SUBJECT: Scheduled Maintenance Outage  
Force Majeure Event – Versado Gas Processors, L.L.C. ("Versado")  
Monument Plant – May 8, 2017 through May 12, 2017

**NOTE: PLEASE ENSURE THAT THIS LETTER IS DELIVERED ASAP TO THE  
APPROPRIATE DEPARTMENT/PERSON WITHIN YOUR COMPANY**

Dear Contract Party / Operator:

Versado's Monument Gas Processing Plant ("Monument Plant") will shut down for approximately five (5) days to perform necessary maintenance on the Monument Plant and its related facilities. Such activities will include cleaning the amine system and replacement of control valves. **Unless notified to do so at an earlier time by a Versado field representative, you should cease deliveries to Versado of natural gas production serviced by the Monument Plant by 7:00 a.m. MDT on May 8, 2017.** Under the terms of your contract(s) with Versado relevant to the processing of gas at the Monument Plant, this is a force majeure event. You will be informed by Versado when the maintenance work has been completed and your deliveries to Versado can be resumed. Please note that Versado is timing this maintenance work so that much or all of it will run concurrently with scheduled maintenance work being performed by El Paso Natural Gas Company ("El Paso") on its natural gas pipeline serving the Plant. El Paso's shutdown of this pipeline will in any event compel the Plant to shut down during its continuance and itself constitutes a force majeure event under your contract(s) with Versado. Versado is timing its own maintenance work to coincide with El Paso's work so as to minimize the amount of time during which the Plant must cease processing gas.

The New Mexico Environment Department's ("NMED") Air Quality Bureau prohibits Versado from flaring gas for routine maintenance events. Should you continue deliveries of gas to the Monument Plant during this force majeure event, Versado will be required to shut in any such delivery point. If any gas is delivered at a delivery point during the shutdown, regardless of whether Versado has or has not shut in such delivery point, Versado will zero the volumetric readings for any delivery point recording flow during this period.

Versado takes its environmental obligations very seriously. Consequently, Versado appreciates your cooperation in this matter to help us all comply with such obligations.

If you have any questions regarding wells involved, you may contact Cullen Ingram at (432) 688-0541 or email him at [cingram@targaresources.com](mailto:cingram@targaresources.com). If you have questions regarding details of the actual event, contact Bill Little at (575) 394-2534 ext 226 or email him at [blittle@targaresources.com](mailto:blittle@targaresources.com)

Very truly yours,

Jerome Gegelman  
Senior Vice President  
Targa Midstream Services LLC,  
as Operator of Versado Gas Processors, L.L.C.

Copy: Cullen Ingram  
Bill Little  
Targa Gas Control Group

Contract No(s): 017660

**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 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. 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, 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.
  - i. 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).
  - 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-bin/retrieveECFR?gp=1&SID=dbd49eda8cdc488870172ed096d47be9&ty=HTML&h=L&mc=true&n=sp43.2.3170.3179&r=SUBPART>