

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS NMOCD
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. HOBBS

5. Lease Serial No.
NMNM18640A
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

AUG 11 2017

RECEIVED

7. If Unit or CA/Agreement, Name and/or No.
NMNM131439

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
DIAMOND 8 FED COM 3H

2. Name of Operator
EOG RESOURCES INCORPORATED
Contact: LORI J NUGENT
E-Mail: Lori_Nugent@eogresources.com

9. API Well No.
30-025-40188-00-S1

3a. Address
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 432-686-3670

10. Field and Pool or Exploratory Area
RED HILLS

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 8 T25S R34E NENW 330FNL 1750FWL

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 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.

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 free flare dispositions under NTL-4A.

See attached Exhibit A for detailed flare information

See attached Exhibit B for additional well/lease information

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Electronic Submission #368749 verified by the BLM Well Information System
For EOG RESOURCES INCORPORATED, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/06/2017 (17PP0316SE)

Name (Printed/Typed) LORI J NUGENT

Title PREPARER

Signature (Electronic Submission)

Date 03/03/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____

Title _____

Date _____

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
JUL 21 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 **

Accepted for Record Only

MJS/OCJ 8/16/2017

ATTACHMENT - EXHIBIT A
 AGREEMENT
 LEASE

MULTIPLE - SEE ATTACHMENT B
 MNM18640A

EQUIPMENT NAME

DIAMOND 8 FC 3H FLARE 60387005

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
DIAMOND 8 FC 3H	6/2013	3,223	Flare 16 days 149 hrs	Unavoidable Loss	0
	7/2013	1,200	Flare 6 days 41 hrs	Unavoidable Loss /SUG High Line Pressure/ gas line failure	0
	8/2012	326	Flare 5 days 14.7 hrs	Unavoidable Loss / SUG plant problems / vent valve not holding back pressure	0
	9/2013	1,764	Flare 16 days 124 hrs	Unavoidable Loss / High Line Pressure	0
	12/2013	102	Flare 8 days 5.5 hrs	Unavoidable Loss	88
	7/2014	618	Flare 5 days 64.5 hrs	Unavoidable Loss / High Line Pressure/ Regency shut in	0
	8/2014	32	Flare 2 days 2 hrs	Unavoidable Loss / High Line Pressure	2,330
	11/2014	3,422	Flare 10 days 175 hrs	Unavoidable Loss / High Line Pressure	0
	12/2014	9,751	Flare 20 days 367 hrs	Unavoidable Loss	0
	1/2015	4,715	Flare 21 days 245.5 hrs	Unavoidable Loss / pipeline leak / Regency shut in / compressor issues	0
	2/2015	1,918	Flare 8 days 78.8 hrs	Unavoidable Loss / Regency compressor problems	0
	4/2015	80	Flare 8 days 10.5 hrs	Unavoidable Loss / Regency shut in	1,471
	6/2015	68	Flare 2 days 1 hr	Unavoidable Loss	8,190
	8/2015	78	Flare 10 days 5.8 hrs	Unavoidable Loss	7,322
	9/2015	9	Flare 2 days .5 hr	Unavoidable Loss / High Line Pressure	7,425
	10/2015	190	Flare 3 days 24 hrs	Unavoidable Loss / Regency shut in	6,667
	12/2015	2	Flare 1 day .1 hr	Unavoidable Loss / High Line Pressure	7,948
	1/2016	54	Flare 3 days 5 hrs	Unavoidable Loss	6,357
	2/2016	31	Flare 4 days 2 hrs	Unavoidable Loss	6,737

ATTACHMENT - EXHIBIT B
5. Lease Serial No., continued

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location	Type	Field/Pool	County	State
NMNM131439	NMNM18640A	DIAMOND 8 FC 3H	30-025-40188-00-S1	SEC 8 T25S R34E NENW 330 FSL 1750 FWL	OIL	RED HILLS	LEA	NM
NMNM72365	NMNM18640A	HALF 5 FC 1	30-025-28261-00-S1	SEC 5 T25S R34E NESW 1980 FSL 1980 FWL	GAS	PITCHFORK RANCH	LEA	NM

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>