

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. NORTH LEA 3 FED COM 2H
2. Name of Operator READ & STEVENS INCORPORATED Contact: KELLY BARAJAS E-Mail: kbarajas@read-stevens.com		9. API Well No. 30-025-42227-00-X1
3a. Address ROSWELL, NM 88202	3b. Phone No. (include area code) Ph: 575-624-3760 Fx: 575-622-8643	10. Field and Pool or Exploratory Area QUAIL RIDGE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T20S R34E Lot 2 0200FNL 1670FEL 32.363180 N Lat, 103.322562 W Lon		11. County or Parish, State LEA COUNTY, NM

DEC 12 2018
RECEIVED

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.

Read & Stevens, Inc., is requesting temporary approval to flare on location for the above mentioned well. The flowback of the well is 67 mcf more or less per day.

The location of the battery is at the North Lea 3 Federal #1H location (200' FNL & 350' FEL, Sec 3, T20S-R34E 30-025-42080). Once the connection for gas is completed R&S, Inc., will only be flaring if the gas pipeline is shut down for maintenance.

Form 3160-4 Well Completion will be submitted in the next few days.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #444993 verified by the BLM Well Information System For READ & STEVENS INCORPORATED, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 12/03/2018 (19PP0473SE)	
Name (Printed/Typed) MATTHEW B MURPHY	Title OPERATIONS MANAGER
Signature (Electronic Submission)	Date 11/26/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jonathon Shepard</u>	Petroleum Engineer	DEC 11 2018
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.	Carlsbad Field Office	Date

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 **

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BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be “avoidably lost” per 43 CFR 3179.4(a)(2)(i – iii). Volumes for avoidably lost gas shall be reported on OGOR “B” reports as disposition code “33”.

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered “unavoidably lost” and is therefore royalty free (43 CFR 3179.103(a)). 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”.
- b. If the operator believes that the flared volumes were “unavoidably lost”, the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.101 - 3179.104.