

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011
Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

REVIEWED

By A. Bustamante at 9:07 am, Jul 18, 2019

A. Applicant OXY USA, Inc.

whose address is 5 Greenway Plaza, Suite 110, Houston, Texas 77046

hereby requests an exception to Rule 19.15.18.12 for 90 days or until

October 15, Yr 2019, for the following described tank battery (or LACT):

Name of Lease Cedar Canyon 22 CTB Name of Pool Corral Draw, Bone Spring

Location of Battery: Unit Letter K Section 22 Township 24S Range 29E

Number of wells producing into battery 21

B. Based upon oil production of 4689 barrels per day, the estimated * volume
of gas to be flared is 300 MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Flaring period requested as of July 17, 2019
due to 3rd party contractor failure and/or maintenance issues and we request permission to flare for 90
days which would end as of October 15, 2019.
List of associated wells to Cedar Canyon 22 CTB is attached.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation
Division have been complied with and that the information given above
is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name Maria T. Luna
& Title Environmental Compliance Technician

E-mail Address maria_luna@oxy.com

Date July 17, 2019 Telephone No. (713) 513-6640

OIL CONSERVATION DIVISION

Approved Until Oct. 15, 2019

By A. Bustamante

Title Business Operations Spec. - O

Date 7/18/2019

Conditions of Approval Attached

* Gas-Oil ratio test may be required to verify estimated gas volume.

Via E-mail Delivery to Amalia.Bustamante@state.nm.us

July 17, 2019

Amalia Bustamante
State of New Mexico
EMNRD-Oil Conservation Division, District II
811 S. First Street
Artesia, New Mexico 88210

Re: OXY USA, Inc.
Cedar Canyon 22 CTB
Malaga, Eddy County
Form C-129, Application for Exception to No-Flare Rule 19.15.18.12
90 Day Flaring Period Requested: July 17, 2019 to October 15, 2019.
Associated Wells and API Numbers List

Dear Ms. Bustamante,

OXY USA Inc. (OXY) is submitting this list of associated wells and API numbers for Cedar Canyon 22 CTB, as an attachment to Form C-129, Application for Exception to No-Flare Rule 19.15.18.12.

Well Name:

API #

1. Cedar Canyon 22 15 Fee # 031 H (State)	30-015-43809
2. Cedar Canyon 22 15 Fee # 032 H (State)	30-015-43808
3. Cedar Canyon 22 15 Fee # 033 H (State)	30-015-43915
4. Cedar Canyon 22 15 Federal Com # 034 H (State)	30-015-44055
5. Cedar Canyon 22 Federal # 021H	30-015-43642
6. Cedar Canyon 22 Federal Com # 004H	30-015-43708
7. Cedar Canyon 22 Federal Com # 005H	30-015-43758
8. Cedar Canyon 22 Federal Com # 006Y	30-015-43906
9. Cedar Canyon 27 State Com #010H (State)	30-015-43673
10. Cedar Canyon 27 Federal Com #005H	30-015-43775
11. Cedar Canyon 21 Federal Com #005H	30-015-43749
12. Cedar Canyon 21 22 Federal Com #033H	30-015-44133
13. Cedar Canyon 21 22 Federal Com #034H	30-015-44134
14. Cedar Canyon 23 # 002H	30-015-41194
15. Cedar Canyon 23 24 Federal Com # 031H	30-015-44179
16. Cedar Canyon 23 24 Federal Com # 032H	30-015-44178
17. Cedar Canyon 23 Federal #003H	30-015-43290
18. Cedar Canyon 23 Federal #004H	30-015-43281
19. Cedar Canyon 23 Federal #005H	30-015-43282
20. Cedar Canyon 23 Federal Com #006H	30-015-44095
21. Cedar Canyon 23 Federal Com # 033H	30-015-44074

Should you have any questions regarding the information provided above, please feel free to contact me directly at maria_luna@oxy.com or at (713) 513-6640.

Sincerely,



Maria T. Luna
Environmental Compliance Technician

NEW MEXICO OIL CONSERVATION DIVISION

DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210

(575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for Red Flag Warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
11. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.
12. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
13. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
14. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Gabriel Wade, Acting Director
Oil Conservation Division



March 6, 2018

FOR IMMEDIATE RELEASE

Contact: Beth Wojahn (505) 476-3226 E-Mail: Beth.Wojahn@state.nm.us

Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM -The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their Fire Awareness Programs this year. New Mexico State Forestry reports that 370 fires burned 33, 154 acres on state and private land in calendar year 2017.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

This means that as a general rule of thumb, the area around staffed flaring facilities should be mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris should be cleared in the area for a distance of at least one and one half times the height of the stack.

If flaring is to take place at an unstaffed facility, then the mowed area around the flare stack should be increased to three times the height of the stack. On **"red flag"** days local fire departments should be notified prior to the flaring operations.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restrictions on State and private land. Log on to www.nmforestry.com for updates or to get information on how contact your local State Forestry District office.

For the latest fire, weather information please visit USDA Forest Service website:
https://gacc.nifc.gov/swcc/predictive/outlooks/monthly/swa_monthly.pdf

The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

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OIL CONSERVATION DIVISION

NOTICE TO OIL AND GAS OPERATORS

Vented & Flared Volumes Reporting Communication

On October 19, 2015, the Oil Conservation Division issued a Notice to Operators that implemented the "Non-Transported Disposition" Code "F" for flared gas and to report vented volumes utilizing the existing "V" code for any vented gas. The change became effective for November, 2015 production month with reporting date of January 15, 2016.

The Gas Capture Committee's continuing evaluation of volumes being reported determined that not all Operators are following the requirement to report flared and vented volumes. Out of 603 well Operators active in the state. Only 51 Operators are reporting volumes using the "V" and "F" code.

It is very important that all Operators in New Mexico report flared and vented volumes since part of the evaluation will help determine any policy or requirements setting goals for reduction of flared gas. We urge all companies to work with their operations and production accounting groups to ensure proper production reporting.

DAVID R. CATANACH, Director

March 8, 2017

Instructions on filing Form C-115

http://www.emnrd.state.nm.us/OCD/documents/C115_FullInstructions10.2017.pdf

RULES

19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

A. An operator shall file a form **C-115** for each non-plugged well completion for which the division has approved a form **C-104** and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible based on periodic tests.

19.15.18.12 CASINGHEAD GAS:

F. Pending connection of a well to a gas-gathering facility, or when a well has been excepted from the provisions of **Subsection A of 19.15.18.12 NMAC**, the operator shall burn all gas produced and not used and report the estimated volume on form **C-115**.

Thank you for your assistance in this matter. If you have any questions, please contact the appropriate OCD District Office.