<u>District I</u> 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 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505

Rec'd 06/08/2020 - NMOCD 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 May 13, 2020

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)

| | | , , , , , , , , , , , , , , , , , , , , | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--|-----------------------------------------|---------------------------------|
| A. | Applicant Murchison Oil and Gas, LLC | , | | | |
| | whose address is _7250 Dallas Parkway, Ste. 1400, Plano, TX 75024, | | | | |
| | hereby requests an exception to Rule 19.15.18.12 for <u>90</u> days <u>beginning 06/20/2020</u> or until <u>September 18, 2020</u> for the following described tank battery (or LACT): Name of Lease <u>Panda Bear State Com 1 (30-015-33436)</u> Name of Pool <u>Anderson; Wolfcamp, North</u> | | | | |
| | | | | Location of Battery: Unit LetterDS | ection 2 Township 17S Range 28E |
| | | | | Number of wells producing into battery1 | |
| B. | Based upon oil production of 5 | barrels per day, the estimated * volume | | | |
| | of gas to be flared is27 | MCF; Valueper day. | | | |
| C. | Name and location of nearest gas gathering facility: | | | | |
| | DCP Midstream, Artesia Processing Plant, Eddy County, NM | | | | |
| D. | DistanceEstimated cost of connection | | | | |
| E. | Confirmed compliance with conditions required by New Mexico State Forestry's issuance of Order 2020-01 SMOKING, FIREWORK, CAMPFIRE, AND OPEN FIRE RESTRICTIONS FOR NEW MEXICO issued May 13, 2020 (Circle one) | | | | |
| F. | This exception is requested for the following reasons: Flaring is needed for safety purposes and/or short term unplanned operational needs. Well shut in at this time may damage formation and reduce future production. | | | | |
| OPERATOR | | OIL CONSERVATION DIVISION | | | |
| 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. | | Approved Until June 20-Sept. 18, 2020 (90 days) | | | |
| Signature | | By Kurt Simmons | | | |
| Printed Name & Title _Gary R. Cooper, Vice President Operations | | Title Specialist, Santa Fe | | | |
| E-mail Address rcooper@jdmii.com | | Date06/08/2020 | | | |
| Date 06/8/20 Telephone No. 972-931-0700 | | | | | |

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