

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

EMNRD-OCD ARTESIA
REC'D: 6/26/2020 Form C-129
Revised May 13, 2020

Submit one copy to appropriate District Office

SECOND REQUEST 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 Read & Stevens, Inc. OGRID #18917, whose address is PO Box 1518, Roswell, NM 88202, hereby requests an exception to Rule 19.15.18.12 for 90 days, beginning June 17, 2020 days or until September 14, Yr 2020, for the following described tank battery (or LACT): Name of Lease Bandit State 4-9 Lease Name of Pool Happy Valley Delaware (29665) Location of Battery: Unit Letter L Section 10 Township 23S Range 26E Number of wells producing into battery Bandit St 4; 30-015-32553 Bandit St 5; 30-015-34174 Bandit St 6; 30-015-34761 Bandit State 7; 30-015-37434 Bandit St 8; 30-015-37939 Bandit St #9
- B. Based upon oil production of 27 barrels per day, the estimated * volume of gas to be flared is 1 MCF; Value \$1.2388 per day.
- C. Name and location of nearest gas gathering facility:
- D. Distance Estimated 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) Yes kb No
- F. This exception is requested for the following reasons: The gas production on the Bandit State wells contains high levels of H2S and doesn't produce an adequate amount of gas. During the "Red Flag Day" the wells will be shut in and no gas will be flared when the winds are in excess of 25 mph in the area.

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 Kelly Barajas
Printed Name & Title Kelly Barajas, Production & Regulatory
E-mail Address kbarajas@read-stevens.com
Date 6/15/2020 Telephone No. 575-624-3760

OIL CONSERVATION DIVISION
Approved Until Sept. 17, 2020
By [Signature]
Title BUSINESS OP. SPEC.
Date 6/26/2020
COA's ATTACHED

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

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

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Laura McCarthy
State Forester
Forestry Division



2020-02

**REVISED SMOKING, FIREWORK, CAMPFIRE, AND OPEN FIRE RESTRICTIONS FOR
NEW MEXICO**

Due to abnormally warm temperatures, low humidity, high winds, and the abundance of dry, fine fuels, fire danger throughout much of New Mexico is high. Fire incidents for all wildland fire agencies are increasing daily. Pursuant to NMSA, Section 68-2-16, and other sections of the Forest Conservation Act, NMSA 1978, Section 68-2-1 to 68-2-25, and 19.20.3 NMAC; Restrictions for Fire Prevention, the Energy, Minerals and Natural Resources Department, Forestry Division, State Forester, has placed the following restrictions on non-municipal, non-federal, and non-tribal lands statewide.

**SMOKING, FIREWORKS, CAMPFIRES, OPEN BURNING, AND OPEN FIRES ARE
PROHIBITED UNLESS THE FOLLOWING CONDITIONS ARE MET:**

Smoking is prohibited except in enclosed buildings, within vehicles equipped with ashtrays, and on paved or surfaced roads, developed recreation sites, or while stopped in an area at least three feet in diameter that is barren or cleared of all flammable material.

Fireworks use is prohibited on lands covered wholly or in part in timber, brush, grass, grain, or other flammable vegetation. The State Forester is allowing exceptions to the ban on fireworks where they are a part of a public exhibit approved by the local fire department.

Campfires are prohibited unless the following exceptions are met. An exception is granted where cooking or heating devices use kerosene, white gas, or propane as a fuel in an improved camping area that is cleared of flammable vegetation for at least 30 feet or has a water source. New Mexico State Parks and New Mexico Department of Game and Fish lands are included in this prohibition. For more information regarding New Mexico State Parks contact the local State Park Superintendent or Manager or visit the website at www.nmparks.com.

The State Forester is also allowing exceptions for charcoal grills and wood and coal stoves within yards associated with a residence or on the premises of a business.

- b. the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other non-facility related flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Other exceptions may be requested.

The State Forester may allow additional exemptions upon receiving a written request and granting subsequent approval in writing. You may apply for exemptions other than those listed above for flaring or agricultural burning on the Forestry Division website at <http://www.emnrd.state.nm.us/SFD/>. The exemptions provided above in this Fire Restrictions Order for flaring and agricultural burning do not require written approval so long as the conditions listed are met.

An exemption does not relieve a person from any civil or criminal liability associated with an uncontrolled fire, including costs associated with wildland fire suppression.

These revised restrictions become effective at 12:00 p.m. Tuesday, May 19, 2020 and will remain in effect until rescinded.

DONE THIS 19th DAY OF MAY 2020



**Laura McCarthy, State Forester
Forestry Division**



**Sarah Cottrell Propst, Cabinet Secretary
Energy, Minerals and Natural Resources Department**

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Deputy Cabinet Secretary

Laura McCarthy, State Forester
Forestry Division



Fire Restrictions Exceptions Procedures

For the State Forester to consider an exception to the State of New Mexico's Smoking, Firework, Campfire, and Open Fire Restrictions to conduct an open fire activity on non-municipal, non-federal, and non-tribal lands statewide, you must provide the following information in your emailed request:

- Landowner's or Operator's name
- Name and contact information of person in charge
- Number of personnel on site to monitor and maintain control
- Location of open fire activity including latitude and longitude if available
- Legal location of open fire activity (township and range)
- County where open fire activity will take place
- Equipment on site during the open fire activity, if applicable
- How you will notify the local fire department and Forestry Division before ignition.

The information that you provide will be beneficial in providing a timely response to your exception request.

If you have any questions or are requesting an exception, please email and carbon copy or telephone the following individuals:

Vernon Muller VernonJ.Muller@state.nm.us (505) 690-1069
Robert Brown Robert.Brown@state.nm.us (505) 660-5705
Wendy Mason Wendy.Mason@state.nm.us (505) 690-8210

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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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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.

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



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