

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)

- A. Applicant Apache Corporation,
whose address is 1945 Bluestem Rd / P.O. Box 340 Loco Hills, NM 88255
hereby requests an exception to Rule 19.15.18.12 for 30 days or until
Sept 1, Yr 2012, for the following described tank battery (or LACT):
Name of Lease D State 49 Btry Name of Pool YESO
Location of Battery: Unit Letter E Section 36 Township 17S Range 28E
Number of wells producing into battery 14
- B. Based upon oil production of 1000 barrels per day, the estimated * volume
of gas to be flared is 2900 MCF; Value \$5800 per day.
- C. Name and location of nearest gas gathering facility:
Frontier Empire Abo Plant
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: See Attached

RECEIVED
AUG 02 2012
NMOC DISTRICT ARTESIA

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 Mark Thomas

Printed Name
& Title Mark Thomas - Production

E-mail Address mark.thomas@apache.com

Date 8-1-12 Telephone No. 432 818-1071

OIL CONSERVATION DIVISION

Approved Until Sept 1 - 2012

By RDade

Title Dist # Supervisor

Date 08/03/2012

SEE 3rd Page For COA

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

Thomas, Mark

Subject:

FW: Exception to No-Flare Rule

In the last 2 weeks Frontier has curtailed gas due to compression and other plant equipment issues. This curtailment will be an ongoing problem until Frontier can complete their planned 50MM expansion in June 2013. Even though the leases are dedicated DCP is taking gas and helping out Frontier where they can via off loads.

We currently have 3 YESO drilling rigs running and as a result are adding approximately 100 Bopd & 500 Mcfpd gas every 10 days to 2 weeks. Because of Frontier's problems we are having to shut in existing production on numerous wells at 4 batteries locations. We now have +/- 300 Bopd & 2.5MMcfpd shut in. Can we file a C-129 on the subject batteries and flare the gas to prevent this loss in oil revenue? You previously approved two C-129s back in January on the NB Tween & D State due to Frontier. Your help would be appreciated.

**NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 SOUTH 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.

Your initials here

/ / 2011