District 1
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) Applicant COG Operating LLC A. whose address is One Concho Center, 600 West Illinois Avenue, Midland, TX 79701_____, hereby requests an exception to Rule 19.15.18.12 for 42 days or until November 1, Yr 2012, for the following described tank battery (or LACT): Name of Lease MC State Name of Pool Red Lake; Queen-Grayburg-SA Location of Battery: Unit Letter ___ J ___ Section 23 Township 17S Range 28E Number of wells producing into battery __4____ Based upon oil production of ___250 ______barrels per day, the estimated * volume B. of gas to be flared is ______600 _____MCF; Value _____ per day. Name and location of nearest gas gathering facility: C. DCP Distance Estimated cost of connection _____ D. This exception is requested for the following reasons: E. DCP is currently replacing the gas sales line in the area, new line estimated to be operational by late October 015-39367 OPERATOR I hereby certify that the rules and regulations of the Oil Conservation Approved Until Nov 5 -2012 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 ypew is or Title & Title Brian Maiorino, Regulatory Analyst Date E-mail Address bmaiorino@concho.com

Date 9/19/12

Telephone No. 432-221-0467

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