

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

NM Oil Conservation Div
Dist II - Artesia

Received Form C-129
April 26, 2018 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 LINN Operating, LLC,
whose address is 600 Travis, Suite 1400, Houston, TX 77002,
hereby requests an exception to Rule 19 15 18 12 for 60 days or until
June 23, Yr 2018, for the following described tank battery (or LACT)
Name of Lease State A&B Name of Pool Grayburg Jackson, SR-Q-G-SA
Location of Battery Unit Letter L Section 16 Township 17S Range 31E
Number of wells producing into battery 13 (see attached list)
- B Based upon oil production of 75 barrels per day, the estimated * volume
of gas to be flared is 40 MCF/D, Value @ \$2.79 totaling \$111.60 per day
- C Name and location of nearest gas gathering facility
Frontier sales point on lease
- D Distance 0 Estimated cost of connection No other options
- E This exception is requested for the following reasons
Frontier Gas not accepting the gas at their plant due to high nitrogen content
State A #608 (API# 30-015-41752)

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

Mindy Kotesky

Printed Name

& Title Mindy Kotesky - Regulatory Specialist I

E-mail Address mkotesky@linnenergy.com

Date 4-26-2018 Telephone No 281-840-4208

OIL CONSERVATION DIVISION

Approved Until

July 26, 2018

By

Amalia Bonstamante

Title

Business Operations Specialist-O

Date

4/26/18

PLEASE REFER TO ATTACHED
CONDITIONS OF APPROVAL

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

**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.nrc.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
 - 11.1 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
 - 12.2 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
 - 13.3 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
 - 14.4 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

initials

DATE: 4/26/2018

STATE A STATE B BATTERY

API	Well Name	Well Number	Type	Lease
30-015-05168	STATE A	#001	Oil	State
30-015-05169	STATE A	#002	Oil	State
30-015-10840	STATE A	#003	Oil	State
30-015-32917	STATE A	#004	Oil	State
30-015-41752	STATE A	#608	Oil	State
30-015-41715	STATE A	#612	Oil	State
30-015-05170	STATE B	#001	Oil	State
30-015-05171	STATE B	#002	Oil	State
30-015-05173	STATE B	#004	Oil	State
30-015-32874	STATE B	#005	Oil	State
30-015-36256	STATE B	#012	Oil	State
30-015-41712	STATE B	#604	Oil	State
30-015-42540	STATE B	#615	Oil	State

200,000
100,000
50,000
25,000
12,500
6,250
3,125
1,562
781
391
195
98
49
24
12
6
3
1
0

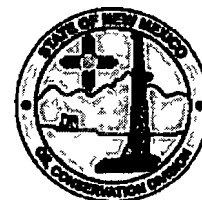
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph D
Deputy Cabinet Secretary

Heather Riley, Division 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 to contact your local State Forestry District office. For the latest fire weather information please visit USDA Forest Service website:

http://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.

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division 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

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