

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

Received

May 9, 2018

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 CHEVRON USA INC.,

whose address is 6301 DEAUVILLE BLVD, MIDLAND TX 79707,

hereby requests an exception to Rule 19.15.18.12 for 90 days or until

\_\_\_\_\_, Yr 2018 for the following described tank battery (or LACT):

Name of Lease Heritage 2 15 #1H Name of Pool Culebra Bluff, Bone Spring, South

Location of Battery: Unit Letter N Section 15 Township 23S Range 28E

Number of wells producing into battery 2 (30-015-40166) (30-015-40818)

B. Based upon oil production of 290 barrels per day, the estimated \* volume

of gas to be flared is 1495 MCF; Value \$4485 per day.

C. Name and location of nearest gas gathering facility:

DCP ( Heritage 2 15 #1H well location)

D. Distance N/A Estimated cost of connection N/A.

E. This exception is requested for the following reasons: No gas take away - Due to 3<sup>rd</sup> party. (Pending Line repair) Although a recent line repair has improved the gas take away situation, the DCP 3rd party gas take away system and Carrasco plant still face reliability issues due to high pressure fluctuations causing well(s) to be shut-in. Chevron is hopeful that the overall gas takeaway system reliability will continue to improve during this renewal period, and no further C-129 applications will be necessary for these critical lease retention wells

## 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 Cindy Herrera-Murillo

Printed Name  
& Title Cindy Herrera-Murillo - Permitting Specialist

E-mail  
Address eeof@chevron.com

Date 05/09/2018 Telephone No. 575-263-0431

## OIL CONSERVATION DIVISION

Approved Until Aug 20, 2018

By [Signature]

Title Business Operations Specialist-O

Date 5/11/18

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.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.
  - 11.1. 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: 5/09/2018

State of New Mexico  
Energy, Minerals and Natural Resources Department

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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](mailto: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](http://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://qacc.nifc.gov/swcc/predictive/outlooks/monthly/swa\\_monthly.pdf](http://qacc.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

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**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](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.