

CONFIDENTIAL

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: WPX Energy Production, LLC
whose address is: P.O. Box 640, Aztec, NM 87410,

RCVD JUL 12 '13
OIL CONS. DIV.
DIST. 3

hereby requests an exception to Rule 19.15.18.12 until September 25, 2013, for the following described tank battery (or LACT):

Name of Lease: Chaco 2308-16I #147H Name of Pool: Nageezi Gallup/Basin Mancos

Location of Battery: Unit Letter I Section 16 Township 23N Range 8W

Number of wells producing into battery One

B. Based upon oil production of 300 barrels per day, the estimated volume
of gas to be flared is 48 MMCF; Value: \$2,500 per day.

C. Name and location of nearest gas gathering facility:

Beeline Gas Systems in NE qtr sec 9, T23N, R8W

D. Distance 9,654' Estimated cost of connection \$453,667.00

E. This exception is requested for the following reasons: Please see attached

30-045-35439

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

Heather Riley

Printed Name

& Title Heather Riley, Regulatory Specialist, Sr.

E-mail Address heather.riley@wpxenergy.com

Date: 7/12/13 Telephone No. (505) 333-1822

OIL CONSERVATION DIVISION

Approved Until September 15, 2013

By

Charles Lewis

Title

SUPERVISOR DISTRICT 3

Date

7-12-2013

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

On 4/22/2013 NMOCD granted an exception to the no-flare rule.

WPX Energy is requesting an extension of the exception to no-flare rule.

The subject well is a horizontal exploration oil well which is approximately 12,000' from the nearest functional gas gathering connection. The estimated cost to install this gas gathering line is \$453,667.

All of the required approvals have been obtained and contracts have been awarded.

Construction of the pipeline is expected to begin 7/22/13 and should take approximately one month to complete.

To date approximately 37 MMcf have been flared.

24/7 monitoring of the flaring is occurring.