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) Α. Applicant: WPX Energy Production, LLC whose address is: P.O. Box 640, Aztec, NM 87410, hereby requests an exception to Rule 19.15.18.12 until 5/9/15, for the following described tank battery (or LACT): Name of Lease: CHACO 2308-06H #395H API-30-045-35553 Name of Pool: Nageezi Gallup Location of Battery: Unit Letter H Section 6 Township 23N Range 8W Number of wells producing into battery 2 B. Based upon oil production of 230 barrels per day, the estimated volume OIL CONS. DIV DIST. 3 of gas to be flared is 350 MCF/D; Value: \$980 per day. APR 0 9 2015 C. Name and location of nearest gas gathering facility: Williams, Sec 6, T23N, R08W Distance BUILT ____ Estimated cost of connection ____ D. This exception is requested for the following reasons: 2nd Emergency Flare WPX Energy requests authorization to flare this well due to an expected spike in nitrogen content above acceptable Williams pipeline standards due to nearby frac activity on the CHACO 2308-04D #282H & CHACO 2308-04D #458H. As a result, WPX Energy is anticipating that the CHACO 2308-06H #395H may experience crossflow. If a crossflow event on the well results in nitrogen content above Williams pipeline standards, flaring may begin as soon as 4/9/15, given approval. The well would flare for up to 30 days. Pipeline quality gas should be obtained within 30 days. A gas sample will be collected upon the confirmation of crossflow and sent to a third party for a gas analysis. The results of the gas analysis will be submitted upon receipt. OIL CONSERVATION DIVISION **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signature Printed Name SUPERVISOR DISTRICT #3 Title Lacey Granillo, Permit Tech III & Title APR 0 9 2015 Date E-mail Address lacey.granillo@wpxenergy.com

Date: 4/9/15

Telephone No. (505) 333-1816

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