Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NFO Permit

Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

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: WPX Energy Production, LLC A.

whose address is: P.O. Box 640, Aztec, NM 87410,

hereby requests an exception to Rule 19.15.18.12 until 5/27/15, for the following described tank battery (or LACT):

Name of Lease: WARNER-CALDWELL #3B API-30-045-35506Name of Pool: Nageezi Gallup

Location of Battery: Unit Letter <u>B</u>_____Section <u>8</u>___Township <u>23N</u>__Range <u>8W</u>___

Number of wells producing into battery ___1____

Β. Based upon oil production of 12 barrels per day, the estimated volume

of gas to be flared is 20 MCF/D; Value: \$53 per day.

OIL CONS. DIV DIST. 3

APR 21 2015

C. Name and location of nearest gas gathering facility:

Williams at Turtle Mountain, Sec 9, T23N, R08W

D. Distance BUILT Estimated cost of connection

This exception is requested for the following reasons: 1st Flare Extension E.

WPX Energy requests authorization to flare the WARNER-CALDWELL #3B due to a potential crossflow event as a result of nearby frac activity on CHACO 2308-08A #285H. If a crossflow event on the well results in nitrogen content above Williams pipeline standards, flaring may begin as soon as 4/27/15, given approval. The well would flare for up to 30 days. Pipeline guality 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.

| OPERATOR | OIL CONSERVATION DIVISION |
|---|---|
| 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 5-27-15 |
| is true and complete to the best of my knowledge and belief. Signature | By Charlie Deru |
| Printed Name U | _{Title} SUPERVISOR DISTRICT #3 |
| & Title Lacey Granillo Permit Tech III | |
| E-mail Addresslacey.granillo @wpxenergy.com | APR 2 2 2015 |
| Date: 4/20/15 Telephone No. (505) 333-1816 | |

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