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: <u>WPX Energy Production, I</u> | <u>.LC</u> |
| whose address is: P.O. Box 640, Aztec, N | <u>NM 87410,</u> |
| hereby requests an exception to Rule 19.15. (or LACT): | 18.12 until <u>7/30/15</u> , for the following described tank battery |
| Name of Lease: NE Chaco Com #178H | API-30-039-31200 Name of Pool: Chaco Unit NE HZ |
| Location of Battery: Unit Letter L Sec | etion 6 Township 23N Range 6W |
| Number of wells producing into battery | 3 |
| B. Based upon oil production of <u>50</u> barrels per | day, the estimated volume |
| of gas to be flared is 400 MCF/D; Value: \$ | 1112 per day. OIL CONS. DIV DIST. 3 |
| C. Name and location of nearest gas gathering | facility: JUN 2 4 2015 |
| WPX 4-2 CDP ties to Williams, Sec 8, T2 | 3N, R6W |
| D. DistanceBUILTEstimated co | ost of connection |
| E. This exception is requested for the following | g reasons: 1st Emergency Flare |
| a result of a nearby Frac activity on the NE Chaco Com # results in nitrogen content above Williams pipeline stand | NE Chaco Com #178H if a potential cross flow event may occur as 254H, 255H, 264H, & 265H. If a cross flow event on the well lards, flaring may begin as soon as 6/30/15 for 30 days, given nation of the cross flow and sent to a third party for results of the . |
| 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 7-30-15 |
| is true and complete to the best of my knowledge and pelief. | 4 0 |
| Signature WWW h WWW W | By Charle Dorn |
| Printed Name | Title SUPERVISOR DISTRICT #3 |
| & Title: Marie E. Jaramillo, Permit Tech III | JUN 2 6 2015 |
| E-mail Address: mariejaramillo@wpxenergy.com | Date |
| Date (1) 1 Telephone No. (505) 333-1808 | |

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