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,   |  |  |
| (or L  | hereby requests an exception to Rule 19.15.18.12 until <u>1/6/16</u> , for the following described tank battery ACT):  |  |  |
|  | Name of Lease: NE Chaco Com #197H API-30-039-31278 Name of Pool: Chaco Unit NE HZ  |  |  |
| Location of Battery: Unit Letter E Section 8 Township 23N Range 6W |  |  |  |
|  | Number of wells producing into battery4  |  |  |
| В.   | Based upon oil production of 25 barrels per day, the estimated volume  |  |  |
|  | of gas to be flared is 1000 MCF/D; Value: \$1960 per day.  |  |  |
| C.   | Name and location of nearest gas gathering facility: DEC 2 9 2015  |  |  |
|  | WPX 3-2 CDP ties to Williams, Sec 8, T23N, R6W   |  |  |
| D.   | DistanceBUILT Estimated cost of connection   |  |  |
| E.   | This exception is requested for the following reasons: 1st Emergency Flare   |  |  |
| conte<br>will b  | WPX Energy requests authorization to flare the <b>NE Chaco Com #197H</b> if a potential cross flow event may occur as all to fanearby Frac activity on the <b>NE Chaco Com #902H/912H</b> . If a cross flow event on the well results in nitrogen and above Williams pipeline standards, flaring may begin as soon as <b>1/6/16 for 30 days</b> , given approval. A gas sample e collected upon the confirmation of the cross flow and sent to a third party for results of the gas analysis. The gas sis will submitted upon receipt. |  |  |
| ERATO  |  |  |  |
| sion have  | y that the rules and regulations of the Oil Conservation been complied with and that the information given above unless to the best of my knowledge and belief.  Approved Until 2 - 6 - 16   |  |  |

| 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 2 - 6 - 16    |
| is true and complete to the best of my knowledge and belief.  Signature | By Chall Here.               |
| Printed Name  | Title SUPERVISOR DISTRICT #3 |
| & Title: Lacey Granillo, Permit Tech III                                |                              |
| E-mail Address: lacey.granillo@wpxenergy.com                            | Date JAN 0 5 2016            |
| Date:12/28/15 Telephone No. (505) 333-1816                              |                              |

<sup>\*</sup> Gas-Oil ratio test may be required to verify estimated gas volume.