30-045-28377

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) OIL CONS. DIV DIST. 3 A. Applicant Thompson Engineering and Production JUL 1 0 2017 whose address is 7415 E. Main St., Farmington, NM 87402 hereby requests an exception to Rule 19.15.18.12 for __30______days or until September 15, , Yr 2017 , for the following described tank battery (or LACT): Name of Lease Federal D #6 Name of Pool S. Bisti Gallup Location of Battery: Unit Letter M Section 10 Township 23N Range 9W Number of wells producing into battery B. Based upon oil production of ______barrels per day, the estimated * volume of gas to be flared is ______ MCF; Value _____ per day. C. Name and location of nearest gas gathering facility: D. Distance Estimated cost of connection This exception is requested for the following reasons:

Encana has advised TEPC that they plan to frac E. their Nageezi Unit #406H well on August 11, 2017. This well may be impacted by the offsetting frac job. A flow back tank will be set and monitored 24 hrs/day to contain any well and frac fluids. **OPERATOR** OIL CONSERVATION DIVISION I hereby certify that the rules and regulations of the Oil Conservation Approved Until Seftendel 15, 2017 Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Printed Name Title SUPERVISED DISTRICT #3 & Title Paul C. Thompson, P.E., President Date 7-10.1 E-mail Address paul@walsheng.net Telephone No. 505-327-4892 7-7-17

Date

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