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

No.

NFO Permit

(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)

Energy Production, LLC

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

hereby requests an exception to Rule 19.15.18.12 until 2/7/18, for the following described tank battery (or LACT):

Name of Lease: CHACO 2308-16I #147H API-30-045-35439 Name of Pool: Nageezi Gallup/Basin MC

Location of Battery: Unit Letter I Section 16 Township 23N Range 8W

Number of wells producing into battery 2

B. Based upon oil production of <u>17</u> barrels per day, the estimated volume

of gas to be flared is <u>54 MCF/D</u>; Value: <u>\$153</u> per day.

C. Name and location of nearest gas gathering facility:

OIL CONS. DIV DIST. 3

DEC 202017

Beeline, Sec 16, T23N, R08W

D. Distance BUILT Estimated cost of connection

FLARE EXTENSION

E. WPX Energy requests authorization to flare the <u>CHACO 2308-16I #147H</u> if a potential cross flow event may occur as a result of a nearby Frac activity on W Lybrook Unit #705H/745H/746H. If a cross flow event on the well results in nitrogen content above Williams pipeline standards, flaring may begin as soon as 1/7/18 for 30 days, given approval. A gas sample will be collected upon the confirmation of the cross flow and sent to a third party for results of the gas analysis. 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 $2/7/18$
is true and complete to the best of my knowledge and belief.	
Signature Sale	By Bra Pall
Printed Name	Deputy Oil & Gas Inspector,
& Title:LACEY GRANILLO- PERMIT TECH III	Title District #3
E-mail Address: lacey.granillo@wpxenergy.com	Date 1/4/18
Date: 12/21/17 Telephone No. (505) 333-1816	
Gas-Oil ratio test may be required to verify estimated gas volume	

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