

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)

HOBBS OCD

- A. Applicant CML EXPLORATION, LLC,
whose address is P.O. BOX 890 SNYDER, TEXAS 79550,
hereby requests an exception to Rule 19.15.18.12 for _____ days or until
DECEMBER 31st, Yr 2016, for the following described tank battery (or LACT):
Name of Lease Paddy 19 State 2 Name of Pool Wildcat G-03 S173318N (Pool# 97727)
Location of Battery: Unit Letter D Section 19 Township 17S Range 33E
Number of wells producing into battery 2
- B. Based upon oil production of 23.50 barrels per day, the estimated * volume
of gas to be flared is 0.5 MCF; Value \$1.00 per day.
- C. Name and location of nearest gas gathering facility:
DCP Midstream Linam Ranch Gas Plant, Sec. 6, T-19-S, R-37-E, Lea County, NM
- D. Distance 0' Estimated cost of connection \$0.00
- E. This exception is requested for the following reasons: This well is currently selling small volumes of casinghead gas but would be under undue hardship due to changes in our latest gas contract requiring a payment of \$500/mo for sales volumes under 450 MCF per month. Because of the current oil market and continued low gas prices this burden would lead to premature abandonment of the well which has already entered the late stages of its producing life and operates under tight profit margins.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name

& Title Jordan Owens, Engineer

E-mail

Address owensj@cmlexp.com

Date 5/31/16 Telephone No. (325) 574-6297

OIL CONSERVATION DIVISION

Approved Until 12/31/2016

By _____

Title Dist. Supervisor

Date 6/30/2016

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