District I 1625 N. French Dr., Hobbs, NM 88240 District II

1000 Rio Brazos Road, Aztec, NM 87410

State of New Mexico Energy, Minerals and Natural Resources

Form C-129 Revised August 1, 2011

1301 W. Grand Avenue, Artesia, NM 882 HOBBS OCD District III

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit one copy to appropriate
District Office

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 MAY 1 5 2018

NFO Permit No. ______(For Division Use Only)

RECEIVED

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)

Applicant XTO ENERGY INC. A. whose address is 200 N. LORAINE, STE. 800 MIDLAND, TX 79701 hereby requests an exception to Rule 19.15.18.12 for July 31 ____, Yr __18 ____, for the following described tank battery (or LACT): Name of Lease PERLA VERDE STATE TB Name of Pool 3rd Bone Spring Sand Location of Battery: Unit Letter N Section 31 Township 19S Range 35E Number of wells producing into battery 4 Based upon oil production of 283 barrels per day, the estimated * volume B. of gas to be flared is MCF; Value 265 per day. C. Name and location of nearest gas gathering facility: Enterprise Estimated cost of connection D. This exception is requested for the following reasons: 3RD PARTY ISSUES E. PERLA VERDE 31 STATE #001H 30-025-42063, #002H 30-025-41861, PERLA VERDE 31 STATE #003h 30-025-41862 AND #004 30-025-41863 **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 is true and complete to the best of my knowledge and belief. Signature Printed Name Title **Patty Urias** & Title Date E-mail Address patty_urias@xtoenergy.com 5/15/18 432-620-4318 Date Telephone No. _

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