<u>District I</u> 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 May 13, 2020

Submit one copy to appropriate District Office

OCD - REC'D 9/14/2020

| 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 FOG RESOURCES, INC ,   |                                       |  |  |
|--|--|---------------------------------------|--|--|
|  | whose address is P.O. BOX 2267 MIDLAND, TX 79702   |                                       |  |  |
|  | hereby requests an exception to Rule 19.15.1   | 8.12 fordays or until                 |  |  |
|  | SEPT 17 - DEC 17 , Yr 2020 , for the following described tank battery (or LACT):   |                                       |  |  |
|  | Name of Lease NAUTILUS 16 SC 201H  | Name of Pool RED HILLS UPPER BS SHALE |  |  |
|  | Location of Battery: Unit Letter A   | Section 16 Township 26S Range 34E     |  |  |
|  | Number of wells producing into battery1  |                                       |  |  |
| B.   | Based upon oil production ofbarrels per day, the estimated * volume  |                                       |  |  |
|  | of gas to be flared isEST 75   | MCF; Valueper day.                    |  |  |
| C.   | Name and location of nearest gas gathering facility:   |                                       |  |  |
| NAUTILUS 16 SC 201H FL 60387037  |  |                                       |  |  |
| D.   | DistanceEstimated cost of connection   |                                       |  |  |
| E.   | This exception is requested for the following reasons: <u>Due to Mid-Stream volatility all gas will be</u> metered and recorded prior to flaring |                                       |  |  |
| NAUTILUS 16 SC 201H 3002542491   |  |                                       |  |  |
| 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 is true and complete to the best of my knowledge and belief. |  | Approved Until 12/18/2020 (90 Days)   |  |  |
| Signature Kristina Agee  |  | ByJohn Garcia                         |  |  |
| Printed Name & Title Kristina Agee   |  | Title Petroleum Engineer              |  |  |
| E-mail Address kristina_agee@eogresources.com  |  | Date                                  |  |  |
| Date 9/14/2020 Telephone No. 432-686-6996  |  |                                       |  |  |

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