

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**

**MAR 16 2016**

**RECEIVED**

- A. Applicant NEMO Fund I, LLC (OGRID 310809),  
whose address is 5826 New Territory, Sugarland, Tx 77479-5948, (Box # 412),  
hereby requests an exception to Rule 19.15.18.12 for 90 ~~365~~ days or until  
June 10, 2016  
March 15, Yr 2017, for the following described tank battery (or LACT):  
Name of Lease Williams 12 State #4 #11 Name of Pool Crossroads; San Andres, East  
Location of Battery: Unit Letter A Section 12 Township 10 S Range 36 E  
Number of wells producing into battery 1
- B. Based upon oil production of 230 barrels per day, the estimated \* volume  
of gas to be flared is 357 MCF; Value \$0.00 per day.
- C. Name and location of nearest gas gathering facility:  
Targa
- D. Distance 1/2 Mile Estimated cost of connection \$10,000
- E. This exception is requested for the following reasons: Quality of gas produces a Negative value.  
Targa purchase estimate showed  $\pm$  (neg \$ .35 per MCF)

30-025-42726

**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

Richard L. Wright

Printed Name

& Title Richard L. Wright -Ops Manager

E-mail Address rwright@carreraenergy.com

Date 3-10-2016 Telephone No. 432 695 6970

**OIL CONSERVATION DIVISION**

Approved Until

6/10/2016

By

Markus Brown

Title

Date

3/16/2016

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

**MAR 16 2016**

## NEW MEXICO OIL CONSERVATION DIVISION

DISTRICT 1 OFFICE  
1625 N. FRENCH DRIVE  
HOBBS, NM 88240  
(575)393-6161

DISTRICT 2 OFFICE  
811 SOUTH FIRST STREET  
ARTESIA, NM 88210  
(575)748-1283

### CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days. <http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
11. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.
12. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
13. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
14. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



March 9, 2015

FOR IMMEDIATE RELEASE

Contact: Larry Behrens (505) 827-0314 E-Mail: [Larry.Behrens2@state.nm.us](mailto:Larry.Behrens2@state.nm.us)

## Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 349 fires burned 11,722 acres on state and private land in calendar year 2014.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

This means that as a general rule of thumb, the area around staffed flaring facilities should be mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris should be cleared in the area for a distance of at least one and one half times the height of the stack.

If flaring is to take place at an unstaffed facility, then the mowed area around the flare stack should be increased to three times the height of the stack. On "red flag" days local fire departments should be notified prior to the flaring operations.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to [www.nmforestry.com](http://www.nmforestry.com) for updates or to get information on how contact your local State Forestry District office.

For the latest fire weather information please visit USDA Forest Service website:

[http://gacc.nifc.gov/swcc/predictive/outlooks/monthly/swa\\_monthly.pdf](http://gacc.nifc.gov/swcc/predictive/outlooks/monthly/swa_monthly.pdf)

*The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.*

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Susana Martinez  
Governor

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Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



October 19, 2015

**NOTICE TO OPERATORS**

The Oil Conservation Division ("OCD") has been tasked to study flaring and develop a gas capture plan by the end of the year with the ultimate goal to reduce natural gas emissions.

Current OCD reporting has no specific method to differentiate flared and vented volumes reported on C-115 reports. This prevents the OCD from having quantifiable flaring data per Rule 19.15.18.12.F NMAC.

Therefore, to collect flaring volumes and differentiate actual vented volumes going forward, NMOCD will implement a new "Non-Transported Disposition" Code (for gas) to be reported on the C-115 reports. The new code will be "F" for Flared. The new code "F" is to be used to report the volume of gas that is flared on a well basis, or total volume if flared at a common battery or gathering system and reported under one point of disposition. Operators must report vented and flared volumes separately to their respective "Non Transported Disposition" code ("V" for vented and "F" for flared).

The change will become effective for the November 2015 production month with reporting due by January 15, 2016.

The NMOCD will be conducting operator outreach training sessions in the Southeast and Northwest to provide information and answer questions regarding the process.

Meeting notices will be posted on NMOCD website at:  
<http://www.emnrd.state.nm.us/OCD/announcements.html>

The C-115 instructions are available on NMOCD website at:  
[http://www.emnrd.state.nm.us/OCD/documents/eC115\\_FullInstructions.pdf](http://www.emnrd.state.nm.us/OCD/documents/eC115_FullInstructions.pdf)