

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 OGD

MAR 09 2018

RECEIVED

A. Applicant SPECIAL ENERGY CORPORATION

whose address is PO DRAWER 369 STILLWATER, OK 74076

hereby requests an exception to Rule 19.15.18.12 for 90 days or until

May 30th, Yr 2018, for the following described tank battery (or LACT):

1. Name of Lease JENNA Name of Pool SAN ANDRES POOL (98238) WC-025 G-01 S1138300

Location of Battery: Unit Letter J Section 31 Township 11S Range 38E

Number of wells producing into battery ONE

B. Based upon oil production of 122 barrels per day, the estimated * volume

of gas to be flared is 67 MCF; Value \$171 per day.

C. Name and location of nearest gas gathering facility:

Versado

D. Distance N/A Estimated cost of connection N/A

E. This exception is requested for the following reasons:

The Versado gas gathering facility is currently at full capacity. Stakeholder Midstream intends to build a natural gas pipeline to our acreage that will be ready by the end of the year.

30-025-43888

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 [Signature]

Printed Name
& Title Clark Cunningham Petroleum Engineer

E-mail
Address clark.cunningham@specialenergycorp.com

Date 2/23/18 Telephone No. 405-377-1177

OIL CONSERVATION DIVISION

Approved Until 5/30/2018

By Markus Brown

Title AO/II

Date 3/12/2018

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