

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 87501

HOBBS OGD  
DEC 17 2018  
RECEIVED

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)

A. Applicant Steward Energy II, LLC,  
whose address is 2600 N. Dallas Pkwy, Suite 400 | Frisco, TX 75034,  
hereby requests an exception to Rule 19.15.18.12 for 90 days or until  
March 31, Yr 2019 for the following described tank battery (or LACT):

Name of Lease Broken Spoke Battery Name of Pool Bronco San Andres South

Location of Battery: Unit Letter O Section 2 Township 14S Range 38E

Number of wells producing into battery 1 (One)- API-30-025-41004 **BROKEN SPOKE 2 STATE #1H**

B. Based upon oil production of 12 barrels per day, the estimated \* volume  
of gas to be flared is 100 average MCF; Value \$200 per day.

C. Name and location of nearest gas gathering facility:  
Immediate Area

D. Distance NA Estimated cost of connection NA

E. This exception is requested for the following reasons:  
Steward Energy II, LLC (SE II) hereby request an exception to Rule 19.15.18.12 because Targa's Versado System,  
due to pressure and gas quality constraints, cannot take all of SE II's contractual gas on their system 100 % of the time.  
Interruptions can occur and it will be necessary for SE II to flare during these times.

### 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 W Price LP

Printed Name  
& Title WPrice-Price LLC mgn consultant for SEII

E-mail Address wayneprice@q.com

Date Dec 17, 2018 Telephone No. 505-715-2809

### OIL CONSERVATION DIVISION

Approved Until 3/31/2019

By [Signature]

Title Petroleum Engineer

Date 12/18/2018

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