

Energy Minerals and Natural Resources

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

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

DEC 31 2019

RECEIVED

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 2020, for the following described tank battery (or LACT):

Name of Lease Saul Goodman Name of Pool Bronco San Andres South

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

Number of wells producing into battery One-30-025-45129 2H

B. Based upon oil production of 300-400 barrels per day, the estimated * volume
of gas to be flared is 133 MCF; Value \$ 320.00 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 SWP

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

E-mail Address wayneprice@q.com

Date Dec 27, 2019 Telephone No. 505-715-2809

OIL CONSERVATION DIVISION

Approved Until 03/31/20

By [Signature] Title Petroleum Engineer

Date 01/09/2020

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