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)

| A. | ApplicantCentennial Resource Production, LLC, | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------|
| | whose address is1001 17 th Street, Suite 1800 Denver, CO 80202, | |
| | hereby requests an exception to Rule 19.15.1 | 8.12 for days or until |
| | 05/30, Yr _2020 | , for the following described tank battery (or LACT): |
| | Name of Lease _Mortal Kombat 36 State Com 502HName of Pool _Ojo Chiso; Bone Spring South_ | |
| | Location of Battery: Unit LetterM_Sect | ion36Township22SRange34E |
| | Number of wells producing into battery | 1(30-025-45063) |
| В. | Based upon oil production of662 | barrels per day, the estimated * volume |
| | of gas to be flared is795 | MCF/D; Value\$1,493.81per day. |
| C. | Name and location of nearest gas gathering facility: | |
| | | 45063 |
| D. | DistanceEstimated c | ost of connection |
| E. This exception is requested for the following reasons: | | |
| This exception is being requested because Centennial is having to flare intermittently due to Lucid plant upsets and compression issues. These are unscheduled shut downs and the flaring will not be continuous. | | |
| | | |
| | | 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. App | | Approved Until <u>5</u> 3 6 3 0 3 0 |
| Sarah Digitally signed by Sarah Ferrayos, CHUS. | | |
| | | By January |
| Printed Name & Title Sarah Ferreyros – Regulatory Lead | | Title Petroleum Engineer Date 22/29/2020 |
| E-mail | | Date 02/29/2020 |
| AddressSarah.Ferreyros@cdevinc.com | | |
| Date 02/28/2 | 20 Telephone No. 720-499-1454 | |

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