District I 1625 N. French Dr., Hobbs, NM 88240 District II HOBBS OF State of New Mexico Minerals and Natural Resources

Form C-129 Revised August 1, 2011

811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

FEB 21 2014 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit one copy to appropriate District Office

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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 Read & Stevens, Inc | | |
|--------------------|---|--|------------|
| | whose address is P. O. Box 1518, Roswell, New Mexico 88202-1518 | | |
| 31189 | hereby requests an exception to Rule 19.15.1 | 8.12 for | s or until |
| 6 | March 21st , Yr 2014 , for the following described tank battery (or LACT): | | |
| ž | Name of LeaseMark Federal #2 | Name of Pool Lea, Delaware Northeast (#37584 | <u>)</u> |
| 30-025- | Location of Battery: Unit Letter N | Section 3 Township 20S Range 34E | - |
| W | Number of wells producing into battery | well | <u>-</u> |
| B. | Based upon oil production of3 | barrels per day, the estimated * volume | e |
| | of gas to be flared is2 | MCF; Value \$15.29 per day | / . |
| C. | Name and location of nearest gas gathering facility: | | |
| | | | _ |
| D. | DistanceEstimated cost of connection | | |
| E. | This exception is requested for the following reasons: DCP Midstream needs to repair a gas line | | |
| | rupture. | | |
| | | | |
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| | | | |
| OPERATOR | | OIL CONSERVATION DIVISION | |
| Division have been | nat the rules and regulations of the Oil Conservation en complied with and that the information given above ete to the best of my knowledge and belief. | Approved Until 3/31/2014 | |
| Signature | Tau Calleir | Mal Discon |) |
| Printed Name | | By Trupell Ascert | |
| | Collier, Sr. VP Exploration & Development | Title COMPLIANCE OFFICE | ₹ — |
| E-mail Addres | ss_tcollier@read-stevens.com | Date 2/24/2014 | |
| Date 02/20/201 | 4 Telephone No. 575-622-3770 | | |

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