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. | Applicant Murchison Oil & Gas, Inc. | |
|---|---|--|
| | whose address is 7250 Dallas Parkway, Ste. 1400, Plano, TX 75024 | |
| | hereby requests an exception to Rule 19.15.18.12 for days or until October 9 | |
| | , Yr _2016, for the following described tank battery (or LACT): | |
| | Name of Lease Jackson Unit 11H (30-025-41122) Name of Pool Triple X; Bone Spring, Wes | |
| | Location of Battery: Unit Letter <u>B</u> Section <u>16</u> Township <u>24S</u> Range <u>33E</u> | |
| | Number of wells producing into battery1 | |
| B. | Based upon oil production ofbarrels per day, the estimated * volume | |
| | of gas to be flared is 45 MCF; Value \$72 per day. | |
| C. | Name and location of nearest gas gathering facility: | |
| | Frac Cat Compressor Station, Lea County, NM | |
| | Frac Cat Compressor Station, Lea County, Nivi | |
| D. | Distance Estimated cost of connection | |
| E. | Distance Estimated cost of connection This exception is requested for the following reasons: Intermittent curtailment by Agave due to | |
| E. | DistanceEstimated cost of connection | |
| E. comp | Distance Estimated cost of connection This exception is requested for the following reasons: Intermittent curtailment by Agave due to pressor maintenance. Well shut in at this time may damage formation and reduce future production | |
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