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

Notatrict IV

E.

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 12H (30-025-41227) Name of Pool Triple X; Bone Spring, West Location of Battery: Unit Letter A Section 16 Township 24S Range 33E Number of wells producing into battery 1 Based upon oil production of _______ barrels per day, the estimated * volume B. of gas to be flared is ______ MCF; Value _____ \$101 C. Name and location of nearest gas gathering facility: Distance Estimated cost of connection D.

OPERATOR	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.	Approved Until 10/9/2016
Signature	By Makys Brown
Printed Name & Title Gary Cooper, Vice President Operations	Title Dist Supervisor
Email Address rcooper@jdmii.com	Date 7/11/2016
Date 7/11/16 Telephone No. 972-931-0700	

This exception is requested for the following reasons: Intermittent curtailment by Agave due to

compressor maintenance. Well shut in at this time may damage formation and reduce future production.

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