| District II<br>811 S. First<br>District III<br>1000 Rio Br<br>District IV | HOBBS Energy Minerals and Natural Resources Form C-12   St., Artesia, NM 88210 Oil Conservation Division SEP 0 9 2016 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit one copy to appropriat District Offic   rancis Dr., Santa Fe, NM 87505 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) NMAC |  |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                            |  |
| A                                                                         | ApplicantEOG Resources, Inc,                                                                                                                                                                                                                                                                                                                                                                               |  |
|                                                                           | whose address isP.O. Box 2267, Midland, Texas 79702,                                                                                                                                                                                                                                                                                                                                                       |  |
|                                                                           | hereby requests an exception to Rule 19.15.18.12 for7days or until                                                                                                                                                                                                                                                                                                                                         |  |
|                                                                           | June 29, Yr _2016, for the following described tank battery (or LACT):                                                                                                                                                                                                                                                                                                                                     |  |
|                                                                           | Name of Lease _Dragon 36 State Name of Pool                                                                                                                                                                                                                                                                                                                                                                |  |
|                                                                           | Location of Battery: Unit Letter P Section36 Township _24S Range33E u                                                                                                                                                                                                                                                                                                                                      |  |
|                                                                           | Number of wells producing into battery2                                                                                                                                                                                                                                                                                                                                                                    |  |
| B.                                                                        | Based upon oil production of28barrels per day, the estimated * volume                                                                                                                                                                                                                                                                                                                                      |  |
|                                                                           | of gas to be flared isMCF; Valueper day.                                                                                                                                                                                                                                                                                                                                                                   |  |
| C.                                                                        | Name and location of nearest gas gathering facility:                                                                                                                                                                                                                                                                                                                                                       |  |
|                                                                           | Enterprise                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| D.                                                                        | DistanceEstimated cost of connection                                                                                                                                                                                                                                                                                                                                                                       |  |
| E.                                                                        | This exception is requested for the following reasons: _Shut in due to Enterprise high line pressure                                                                                                                                                                                                                                                                                                       |  |
|                                                                           | Dragon 36 State #7H 2,177 MCF 30-025-40929 √<br>Dragon 36 State #8H 1,940 MCF 30-025-40930                                                                                                                                                                                                                                                                                                                 |  |
|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                            |  |
|                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                            |  |

| OPERATOR                                                                | OIL CONSERVATION DIVISION |
|-------------------------------------------------------------------------|---------------------------|
| I hereby certify that the rules and regulations of the Oil Conservation | 1.122/- 12                |
| Division have been complied with and that the information given above   | Approved Until 6/29/2016  |
| is true and complete to the best of my knowledge and belief.            |                           |
| Signature Under Signature                                               | By Majeys Brown           |
| Printed Name                                                            | Title Dist Superviser     |
| & Title Kristina St. Romain - Regulatory Administrator                  | Title Dist Supervision    |
| E-mail Address kristina_stromain@eogresources.com                       | Date 9/15/2016            |
| Date September 7, 2016 Telephone No. 432-686-3671                       |                           |

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