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

HOBBS OCD

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)

Applicant Murchison Oil & Gas, Inc. A. whose address is 7250 Dallas Parkway, Suite 1400, Plano, TX 75024 hereby requests an exception to Rule 19.15.18.12 for ______ days or until April 7 , , Yr <u>2017</u>, for the following described tank battery (or LACT): Name of Lease Brininstool 4 State 3H (30-025-41030) Name of Pool Triple X: Bone Spring Location of Battery: Unit Letter M Section 4 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 81 MCF; Value \$81 per day. C. Name and location of nearest gas gathering facility: Frac Cat Compressor Station, Lea County, NM Distance Estimated cost of connection D. This exception is requested for the following reasons: Intermittent curtailment by Agave due to E. compressor maintenance. Well shut in at this time may damage formation and reduce future production. OIL CONSERVATION DIVISION **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signature By Printed Name Title & Title Gary Cooper, Vice President Operations Date Email Address rcooper@jdmii.com Date 12/19/16 Telephone No. 972-931-0700

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