District I 1625 N. French Dr., Hobbs, NM 88240 District II

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

State of New Mexico Energy Minerals and Natural Resources

Form C-129 Revised August 1, 2011

Submit one copy to appropriate

District Office

No Price III Oil Conservation Division District III Oil Rose Road, Aztec, NM 87410 HOBBS OCD 220 South St. Francis Dr. Santa Fe, NM 87505

JUN 16 2017

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, Ste. 1400, Plano, TX 75024 hereby requests an exception to Rule 19.15.18.12 for days or until September 20, , Yr <u>2017</u>, for the following described tank battery (or LACT): Name of Lease Bettis 20 State Com 3H (30-025-41437) Name of Pool Triple X; Bone Spring, West Location of Battery: Unit Letter O Section 20 Township 24S Range 33E Number of wells producing into battery ______1 B. Based upon oil production of $\underline{62}$ barrels per day, the estimated * volume of gas to be flared is _____<u>55</u> MCF; Value _____<u>\$138</u> per day. C. Name and location of nearest gas gathering facility: Frac Cat Compressor Station, Lea County, NM Distance Estimated cost of connection D. E. This exception is requested for the following reasons: Intermittent curtailment by Lucid due to compressor maintenance and high line pressure. Well shut in at this time may damage formation and reduce future production.

OPERATOR 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. Signature Lay Copy Of Cattley Printed Name & Title Gary Cooper, Vice President Operations Email Address rcooper@jdmii.com Date 06/13/17 Telephone No. 972-931-0700	OIL CONSERVATION DIVISION Approved Until 9/20/2017 By Majure Brown Title AO/TT Date 6/20/2017
Date 00/13/1/ Telephone 140. 9/2-931-0/00	

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