

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

AUG 20 2018

NFO Permit No. _____
(For Division Use Only)

RECEIVED

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 SPECIAL ENERGY CORPORATION,
whose address is PO DRAWER 369 STILLWATER, OK 74076,
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
November 15th, Yr 2018, for the following described tank battery (or LACT):
Name of Lease JENNA Name of Pool SAN ANDRES POOL (98238) WC-025 G-01 S1138300
Location of Battery: Unit Letter J Section 31 Township 11S Range 38E
Number of wells producing into battery ONE
- B. Based upon oil production of 50 barrels per day, the estimated * volume
of gas to be flared is 21 MCF; Value \$62 per day.
- C. Name and location of nearest gas gathering facility:
Versado 30-025-43888
- D. Distance N/A Estimated cost of connection N/A
- E. This exception is requested for the following reasons:

The Versado gas gathering facility is currently at full capacity. Stakeholder Midstream intends to build a natural gas pipeline to our acreage that will be ready by the end of the year.

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 [Signature]

Printed Name
& Title Clark Cunningham Petroleum Engineer

E-mail
Address clark.cunningham@specialenergycorp.com

Date 8/17/18 Telephone No. 405-377-1177

OIL CONSERVATION DIVISION

Approved Until 11/15/2018

By [Signature]

Title SO/IO

Date 8/20/2018

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