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

## HOBBS OCD State of New Mexico Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. SEP 06 2018 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)

## REC:

## 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 MATADOR PRODUCTION COMPANY                                                                                                                                |                                                              |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
|                                     | whose address is 5400 LBJ FREEWAY,                                                                                                                                  | STE 1500, DALLAS, TX 75240                                   |
|                                     | hereby requests an exception to Rule 19.15.13                                                                                                                       | 8.12 for90 (beginning 10/01/18)days or until                 |
|                                     | , Yr, for the following described tank battery (or LACT):  Airstrip 31 18 35 RN State Com Name of LeaseName of Pool Airstrip; Bone Spring (960)                     |                                                              |
|                                     |                                                                                                                                                                     | Section 31 Township 18S Range 35E                            |
|                                     | Number of wells producing into battery (3)                                                                                                                          | #201H 30-025-43395; #132H 30-025-43816<br>#133H 30-025-44323 |
| В.                                  | Based upon oil production of1000                                                                                                                                    | barrels per day, the estimated * volume                      |
|                                     | of gas to be flared is 200                                                                                                                                          | MCF; Valueper day.                                           |
| C.                                  | Name and location of nearest gas gathering facility:                                                                                                                |                                                              |
|                                     | Versado Gas Processors, LLC gathering line; Targa purchaser.                                                                                                        |                                                              |
| D.                                  | DistanceEstimated cost of connection                                                                                                                                |                                                              |
| E.                                  | This exception is requested for the following reasons: Flaring intermittently due to plant/pl issues.                                                               |                                                              |
|                                     | Wells have a wellhead meter and each have their own flare meter.                                                                                                    |                                                              |
|                                     | The meters measure volume and duration of flow. The common flare point                                                                                              |                                                              |
|                                     | is downstream of the individual flare meters.                                                                                                                       |                                                              |
|                                     |                                                                                                                                                                     |                                                              |
| OPERATOR                            | ₹                                                                                                                                                                   | OIL CONSERVATION DIVISION                                    |
| I hereby certify<br>Division have l | that the rules and regulations of the Oil Conservation<br>been complied with and that the information given above<br>uplete to the best of my knowledge and belief. | Approved Until 1/1/2019                                      |
| Signature                           | aux Monson                                                                                                                                                          | ByMaleusBrown                                                |
| Printed Nam                         | ne C                                                                                                                                                                | 40/+                                                         |
|                                     | Monroe, Sr. Engineering Technician                                                                                                                                  | Title                                                        |
| E-mail Addı                         | ress_amonroe@matadorresources.com                                                                                                                                   | Date 9/6/2018                                                |
| Date 09/05/                         | 718 <b>Telephone</b> No. 972-371-5218                                                                                                                               |                                                              |

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