

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
OCT 04 2018
RECEIVED

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

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)

A. Applicant: **Breitburn Operating, LP**

whose address is **1111 Bagby Street, Suite 1600, Houston, TX 77002**

hereby requests an exception to Rule 19.15.18.12 for **7 days (October 8 through October 14, 2018)**

for the following described tank battery (or LACT):

Name of Lease **Encore M State**

Name of Pool **Blinebry Oil and Gas (Oil), Drinkard,
Tubb Oil and Gas (Oil), Wantz Abo**

Location of Battery: No. 1 Unit Letter G Section 19 Township 22S Range 37E
No. 2 Unit Letter N Section 20 Township 22S Range 37E

Number of wells producing into battery 17 (see attached).

B. Based upon oil production of 470 barrels per day, the estimated * volume
of gas to be flared is **17,200 MCF**; Value per day **\$6923 (\$3.22 per MCF)**.

30225-38961

C. Name and location of nearest gas gathering facility:

Targa – Versado Gas Processors, LLC - Eunice Gas Plant

D. Distance **Approximately 8 Miles** Estimated cost of connection **Connected**

E. This exception is requested for the following reasons: **Force Majeure: Targa – Versado Gas Processors,
LLC - Eunice Gas Plant will be offline for the duration of the exception request (October 8, through
October 14, 2018).**

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 Jason Thomas

Printed Name
& Title Jason Thomas, EH&S Supervisor

E-mail Address Jason.thomas@breitburn.com

Date 10/4/18 Telephone No. (903) 291-6513

OIL CONSERVATION DIVISION

Approved Until 10/14/18

By [Signature]
Title Petroleum Engineer

Date 10/04/18

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

**Breithurn Operating LP
Encore M State Wells**

Tank Battery No. 1

| Well Name | Location | API # |
|---|-------------------|--------------|
| Encore M State No. 001 DHC-HOB-0295 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) | T22S, R37E (UL A) | 30-025-38961 |
| Encore M State No. 002 DHC-HOB-0363 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard 19190) | G-19-22S-37E | 30-025-39541 |
| Encore M State No. 003 DHC-4702 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) | C-19-22S-37# | 30-025-39751 |
| Encore M State No. 004 DHC-HOB-469 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) | H-19-22S-37E | 30-025-40091 |
| Encore M State No. 005 DHC-4698 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) | A-19-22S-37E | 30-025-40299 |
| Encore M State No. 006 DHC-4699 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) | I-19-22S-37E | 30-025-40398 |
| Encore M State No. 007 DHC-4701 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) | B-19-22S-37E | 30-025-40399 |
| Encore M State No. 008 DHC-4705 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) | J-19-22S-37E | 30-025-40721 |
| Encore M State No. 009 DHC-4700 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) | D-20-22S-37E | 30-025-40749 |
| Encore S State No. 010 DHC-4771 Pools: Blinebry Oil and Gas (Oil) (6660) Drinkard (19190) Wantz;Abo (62700) Tubb Oil and Gas (Oil) (60240) | M-17-22S-37E | 30-025-41061 |

Breithurn Operating LP
Encore M State Wells

Tank Battery No. 2

Encore M State No. 011 M-20-22S-37E 30-025-44028
DHC 4826

Pools: Blinebry Oil and Gas (Oil) (6660)
 Drinkard (19190)
 Wantz;Abo (62700)
 Tubb Oil and Gas (Oil) (60249)

Encore M State No. 014 N-20-22S-37E 30-025-41942
DHC 4704

Pools: Blinebry Oil and Gas (Oil) (6660)
 Drinkard (19190)
 Wantz;Abo (62700)

Encore M State No. 015 J-20-22S-37E 30-025-42363
DHC 4737A

Pools: Blinebry Oil and Gas (Oil) (6660)
 Tubb Oil and Gas (Oil) (60240)
 Drinkard (19190)
 Wantz;Abo (62700)

Encore M State No. 016 B- 29-22S-37E 30-025-42391
DHC 4736A

Pools: Blinebry Oil and Gas (Oil) (6660)
 Tubb Oil and Gas (Oil) (60240)
 Drinkard (19190)
 Wantz;Abo (62700)

Encore M State No. 018 O-20-22S-37E 30-025-42392
DHC 4735A

Pools: Blinebry Oil and Gas (Oil) (6660)
 Tubb Oil and Gas (Oil) (60240)
 Drinkard (19190)
 Wantz;Abo (62700)

Encore M State No. 019 I-20-22S-37E 30-025-42779
Pool: Wildcat Devonian (WC - 025 G04 S2237201)

Encore M 21 Fee No. 001 L-21-22S-37E 30-025-43444
DHC 4799-0

Pools: Blinebry Oil and Gas (Oil) (6660)
 Tubb Oil and Gas (Oil) (60240)
 Drinkard (19190)
 Wantz;Abo (62700)



TARGA

Versado Gas Processors, L.L.C.
811 Louisiana, Suite 2100
Houston, Texas 77002-1400
www.targaresources.com

October 2, 2018

BREITBURN OPERATING LP
MARKETING@BREITBURN.COM

SUBJECT: Scheduled Outage
Force Majeure Event – Versado Gas Processors, L.L.C. ("Versado")
Eunice Plant – October 8, 2018 through October 12, 2018

NOTE: PLEASE ENSURE THAT THIS LETTER IS DELIVERED ASAP TO THE
APPROPRIATE DEPARTMENT/PERSON WITHIN YOUR COMPANY

Dear Contract Party / Operator:

Versado's Eunice Gas Processing Plant ("Eunice Plant") will shut down for approximately five (5) days due to hydro testing by Oneok West Texas Pipeline ("Oneok") of its liquids pipeline servicing such plant. The shutdown of this pipeline will prevent flow of Y-grade from the Eunice Plant. **Unless notified to do so at an earlier time by a Versado field representative, you should cease deliveries to Versado of natural gas production serviced by the Eunice Plant by 7:00 a.m. MST on October 8, 2018.** You will be informed by Versado when the hydro testing has been completed and your deliveries to Versado can be resumed. Under the terms of your contract(s) with Versado, relevant to the processing of gas at the Eunice Plant, Oneok's shutdown of the referenced pipeline, which in turn compels the shutdown of the Eunice Plant, constitutes a force majeure event.

The New Mexico Environment Department's ("NMED") Air Quality Bureau prohibits Versado from flaring gas for routine maintenance events. Should you continue deliveries of gas to the Eunice Plant during this force majeure event, Versado will be required to shut in any such delivery point. If any gas is delivered at a delivery point during the shutdown, regardless of whether Versado has or has not shut in such delivery point, Versado will zero the volumetric readings for any delivery point recording flow during this period.

Versado takes its environmental obligations very seriously. Consequently, Versado appreciates your cooperation in this matter to help us all comply with such obligations.

If you have any questions regarding wells involved, you may contact either Stephen Bingham at (713) 584-1428 and sbingham@targaresources.com or Randy Tamplen at (940) 220-2491 and rtamplen@targaresources.com. If you have questions regarding details of the actual event, contact Chuck Tolsma at (575) 631-5424 or email him at ctolsma@targaresources.com. Chuck will be your contact for when to shut in and when to resume flow.

Very truly yours,

Denny Latham
Senior Vice President
Targa Midstream Services LLC,
as Operator of Versado Gas Processors, L.L.C.

Copy: Stephen Bingham
Randy Tamplen
Chuck Tolsma
Chris Price
Targa Gas Control Group

Targa Contract Number(s): 026457