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

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: AMEREDEV OPERATING, LLC,

whose address is 5707 SOUTHWEST PARKWAY, BUILDING 1, STE. 275 AUSTIN, TX 78735,

hereby requests an exception to Rule 19.15.18.12 for 90 days or until 04/11, Yr 2019, for the following

described tank battery (or LACT): Name of Lease: AZALEA STATE 26-36-28

Name of Pool: WC-025 G-09 S263619C; UPR WOLFCAMP

Location of Battery: Unit Letter D Section 28 Township 26S Range 36E

Number of wells producing into battery: 2

- B. Based upon oil production of 1250 barrels per day, the estimated * volume of gas to be flared is 765,000 MCF; Value 8500 per day.
- C. Name and location of nearest gas gathering facility:

SALT CREEK MIDSTREAM - AMEREDEV LATERAL "E" 16"

- D. Distance 0 mi. Estimated cost of connection \$0.00
- E. This exception is requested for the following reasons:

DELAYS WITH GATHERING FACILITY CONSTRUCTION // PLANT START UP PROCESS

IS EXPECTED 1-11-19 AND INTERMITTENT SHUT INS EXPECTED FOR REPAIRS

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

Printed Name & Title: ZACHARY BOYD.

OPERATIONS SUPERINTENDENT

E-mail Address: zboyd@ameredev.com

Date 01/3/2019 Telephone No. 737-300-4700

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