

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 CHI Operating, Inc.

whose address is PO Box 1799 Midland, TX 79702

hereby requests an exception to Rule 19.15.18.12 for up to sixty days or until

September 1, 2019, for the following described tank battery (or LACT):

Name of Lease Sunrise Name of Pool Bowers/Seven Rivers

Location of Battery: Unit Letter A Section 25 Township 18S Range 37E

Number of wells producing into battery: 30-025-39007 Sunrise 25-1; 30-025-05506 Sunrise 25--2

B. Based upon oil production of 10 barrels per day, the estimated * volume

of gas to be flared is 330 MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility: Versado/Targa

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Nitrogen level is greater than 4% so well was shut in by gas plant, Versado Gas Processors/Targa.

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 Pam Corbett/Regulatory

E-mail

Address pamc@chienergyinc.com

Date 10/17/2018 Telephone No. 432-685-5001

OIL CONSERVATION DIVISION

Approved Until 9-1-19

By _____

Title _____

Date _____

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