District 1
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88740
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Pulle 10.15.18.12 NIMAC)

Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

(For Division Use Only)

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

| Α.  | Applicant RG EXPLORATION LLC   |                                   |
|---|--|-----------------------------------|
|   | whose address is PO BOX 5023, MIDLAND, TX 78705  |                                   |
|   | hereby requests an exception to Rule 19.15.18.12 for 90 days from 05/31/2019 days or until   |                                   |
|   | August 29 , Yr 2019, for the following described tank battery (or LACT):                     |                                   |
|   | Name of Lease JADE 19 39 29 STATE COM Name of Pool NADINE; ABO EAST                          |                                   |
|   | Location of Battery: Unit Letter D Section 29 Township 195 Range 39E                         |                                   |
|   | Number of wells producing into battery 1 WELL (30-025-43294)                                 |                                   |
| В.  | Based upon oil production ofbarrels per day, the estimated * volume                          |                                   |
|   | of gas to be flared is9,000  | MCF; Value \$100 per day.         |
| C.  | Name and location of nearest gas gathering facility:   |                                   |
|   | Targa Midstream Services   |                                   |
| D.  | Distance 3 mi. Estimated cost of connection n/a  |                                   |
| E.  | This exception is requested for the following reasons: RG Exploration requests on extension  |                                   |
|   | to flare gas. The Targa gas system is currently at capacity and cannot handle additional     |                                   |
|   | gas volume commitments. The next closest system is greater than 10 miles away.               |                                   |
|   | Targa had expected to have more capacity at the end of the year but this has been revised to |                                   |
| late 2019 when they will be able to take more gas volume commitments.   |  |                                   |
| OPERATOR I hereby certify that the rules and regulations of the Oil Conservation  |  | OIL CONSERVATION DIVISION         |
| Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.  App |  | Approved Until 8/29/2019          |
| Signature Oustley Norras  |  | By Rick Rickman Title DIST I SURV |
| Printed Name & Title Ashley Noonan, Sr. Regulatory Analyst  |  | Title DIST 1 SUTV                 |
| E-mail Address anoonan@progressivepcs.net   |  | Date 6-10-19                      |
| Date 05/31/2019 Telephone No. 303-309-1594  |  |                                   |
| * Gas-Oil ratio test may be required to verify estimated gas volume.  |  |                                   |