District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IY
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 Revised August 1, 2011

Form C-129

Submit one copy to appropriate District Office

| NFO Permit No. |                             |
|----------------|-----------------------------|
|                | <br>(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_XT  | O ENERGY INC.   |                       |   | <u> </u>             |             |  |  |
|---|---|---|-----------------------|---|----------------------|-------------|--|--|
|   | whose address is _64  | whose address is 6401 Holiday Hill Rd., Bldg 5 Midland TX 79707 |                       |   |                      |             |  |  |
|   | hereby requests an exception to Rule 19.15.18.12 for 90 (beginning 6/30/2019) days or until   |   |                       |   |                      |             |  |  |
|   | Ser   | otember 27  | for the following des | llowing described tank battery (or LACT): |                      |             |  |  |
|   | Name of Lease Mis   | Amigos  | <del>,</del>          | Name of Pool Triple X; Bone Spring, West  |                      |             |  |  |
|   | Location of Battery:  | Unit Letter O   | _ Section             | 31 Township                               | 23S Range            | 33E         |  |  |
|   | Number of wells prod  | lucing into battery _   | 4                     |   |                      |             |  |  |
| В.  | Based upon oil produ  | ction of  | 200                   | barrels p                                 | er day, the estimato | ed * volume |  |  |
|   | of gas to be flared is  | 1   | MCF; Value            |   | 600                  | per day.    |  |  |
| C.  | Name and location of nearest gas gathering facility:  DCP Midstream                           |   |                       |   |                      |             |  |  |
| D.  | Distance Estimated cost of connection   |   |                       |   |                      |             |  |  |
| E.  | This exception is requested for the following reasons: 3rd party pipeline constraints causing |   |                       |   |                      |             |  |  |
|   | high line pressure.   |   |                       |   |                      |             |  |  |
|   | Mis Amigos 001H 30-025-40590, 002H 30-025-41003   |   |                       |   |                      |             |  |  |
| Estancia SED 1H 30-025-40591, 2H 30-025-41002 |   |   |                       |   |                      |             |  |  |
| OPERATOR                                      | ······································  |   | T                     | OIL CONSERVA                              | TION DIVISIO         | N           |  |  |
| Division have been                            | the rules and regulations complied with and that the  | e information given ab  | n l                   | Approved Until                            | 5/27                 | 12019       |  |  |
|   | to the best of my knowled   | -   |                       | 17.                                       |                      | `<br>~~     |  |  |
| Printed Name                                  |   |   |                       | By Krek<br>Title VIST                     | MICHM                |             |  |  |
| & Title Sh                                    | nerry Pack, Regulato  | ry Analyst  |                       | Title VIST                                | 1 5096               |             |  |  |
| E-mail Address                                | sherry_pack@xtoer   | nergy.com   |                       | Date 7- 1                                 | 1-19                 |             |  |  |
| Date06/28/                                    | 2019 Telephone  | No. <b>432.620.</b>   | 6709 I                |   |                      |             |  |  |

<sup>\*</sup> Gas-Oil ratio test may be required to verify estimated gas volume.