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 NOV 1 8 EFERENCE NFO Permit Nov GEFENCE NFO Permit Nov GEFENCE NFO Permit Nov Generation Division NFO Permit Nov Generation Division NFO Permit No. (For Division Use Only) Contract IV Revised August 1, 2011 Submit one copy to appropriate District Office District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 NFO Permit No. (For Division Use Only) APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12 Kee Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)
A. Applicant IMPETRO OPERATING, LLC,
whose address is 201 MAIN STREET #700 FORT WORTH, TX 76102,
hereby requests an exception to Rule 19.15.18.12 for90days or until
February 16 , Yr 2019 , for the following described tank battery (or LACT):
Name of Lease Prizehog BWZ State Com #1H &2H Name of Pool WC-025 G-09 S263619C; Wolfcamp
Location of Battery: Unit Letter <u>A</u> Section <u>19</u> Township <u>26S</u> Range <u>36E</u>
Number of wells producing into battery2 (see well names below)
B. Based upon oil production of <u>500</u> barrels per day, the estimated * volume
of gas to be flared is <u>750</u> MCF; Value <u>\$1500</u> per day.
C. Name and location of nearest gas gathering facility:
LUCID WILDHOG COMPRESSOR STATION
D. Distance 3/4 MILE Estimated cost of connection N/A
E. This exception is requested for the following reasons: <u>R.O.W.</u> for line sales and Compressor has down time
This is to cover flaring on 11/18/2018 to 02/16/2019 (90 days)
Prizehog BWZ State Com 1H - API# 30-025-42744
Prizehog BWZ State Com 2H - API# 30-025-44111
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. OIL CONSERVATION DIVISION Signature
Signature Jessica Assal By Kerry Forthe
Printed Name
& Title Jessica Assal, Regulatory Analyst E-mail Addressjassal@lilisenergy.com Date Date JI-18-18
Date 10/21/19 Telephone No. 817-585-9010

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