

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

(For Division Use Only)

NFO Permit No.

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)

30-015-32958

A. Applicant COG Operating LLC,

whose address is 2208 W. Main Street, Artesia, NM 88210,

hereby requests an exception to Rule 19.15.18.12 for 365 days or until

Jan 15th, Yr 2013, for the following described tank battery (or LACT):

Name of Lease Coinflip State #1 Name of Pool Wildcat; Bone Spring

Location of Battery: Unit Letter D Section 18 Township 20S Range 30E

Number of wells producing into battery 1

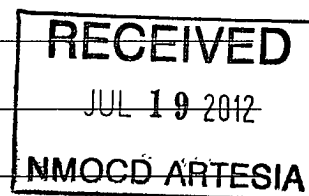
B. Based upon oil production of 25 barrels per day, the estimated * volume
of gas to be flared is 250 MCFD; Value _____ per day.

C. Name and location of nearest gas gathering facility:

DCP Pipeline

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Well is connected to pipeline, but
gas is sour



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 Stormi Davis

Printed Name

& Title Stormi Davis, Regulatory Analyst

E-mail Address sdavis@concho.com

Date 7/18/12 Telephone No. 575-748-6946

OIL CONSERVATION DIVISION

Approved Until Jan 15th 2013

By APDade

Title Dist II Supervisor

Date Aug 03 - 2012

SEE Page 2 For COA ->

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

**NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 SOUTH FIRST STREET
ARTESIA, NM 88210
(575)748-1283**

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.

Your initials here

/ / 2011