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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Conservation Division 20 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. ___

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) Applicant COG Operating LLC A. whose address is One Concho Center, 600 West Illinois Avenue, Midland, TX 79701 hereby requests an exception to Rule 19.15.18.12 for 42 days or until November I _____, Yr _2012_, for the following described tank battery (or LACT): Name of Lease Moncrief State Name of Pool Red Lake; Queen-Grayburg-SA Location of Battery: Unit Letter ___L ___ Section _23 ___ Township _17S __ Range _28E___ Number of wells producing into battery __4_____ B. Based upon oil production of __100______barrels per day, the estimated * volume of gas to be flared is __200_______MCF; Value _________per day. C. Name and location of nearest gas gathering facility: Distance Estimated cost of connection D. This exception is requested for the following reasons: E. DCP is currently replacing the gas sales line in the area, new line estimated to be operational by late October **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Approved Until 10v 5 -2012 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 # Sypewist & Title Brian Maiorino, Regulatory Analyst E-mail Address bmaiorino@concho.com

Telephone No. 432-221-0467

Date 9/19/12

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