

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

NFO Permit No. \_\_\_\_\_  
(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 CAPSTONE NATURAL RESOURCES, LLC

whose address is 200 NORTH LORRAINE, SUITE 1225, MIDLAND, TX 79701

hereby requests an exception to Rule 19.15.18.12 for 14 days or until

\_\_\_\_\_, Yr \_\_\_\_\_, for the following described tank battery (or LACT):

Name of Lease Lea C Federal Name of Pool Grayburg Jackson;SR-Q-G-SA

Location of Battery: Unit Letter G Section 11 Township 17S Range 31E

Number of wells producing into battery 17 wells

B. Based upon oil production of 27 barrels per day, the estimated \* volume

of gas to be flared is 50 MCFPD; Value \_\_\_\_\_ per day.

C. Name and location of nearest gas gathering facility:

Frontier gathering line is at the battery

D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_

E. This exception is requested for the following reasons: \_\_\_\_\_ **RECEIVED**

The compressor is down and repairs are expected to be completed within two weeks.

30-015-05134

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

SEP 11 2014

**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 Debbie McKelvey  
Printed Name & Title Debbie McKelvey, Agent  
E-mail Address debmckelvey@earthlink.net  
Date 9/9/14 Telephone No. 575-392-3575

**OIL CONSERVATION DIVISION**  
Approved Until Sept 30, 2014  
By R. Dade  
Title Dist # Supervisor  
Date Sept 11, 2014

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

*See Attached COA's*

**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.
10. **Flaring of gas is prohibited.** The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
- 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.

- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here *SRD*

*9/11/2014*

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



**March 7, 2014**

FOR IMMEDIATE RELEASE

Contact: Jim Winchester (505)231-8800 E-Mail: [jim.winchester@state.nm.us](mailto:jim.winchester@state.nm.us)

## **Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico**

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 362 fires burned 6,879 acres on state and private land in calendar year 2013.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures are expected to be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

This means that as a general rule of thumb, the area around staffed flaring facilities should be mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris should be cleared in the area for a distance of at least one and one half times the height of the stack.

If flaring is to take place at an unstaffed facility, then the mowed area around the flare stack should be increased to three times the height of the stack. On "red flag" days local fire departments should be notified prior to the flaring operations.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to [www.nmforestry.com](http://www.nmforestry.com) for updates or to get information on how contact your local State Forestry District office.

For the latest fire weather information please visit USDA Forest Service website: [http://qacc.nifc.gov/swcc/predictive/outlooks/monthly/swa\\_monthly.pdf](http://qacc.nifc.gov/swcc/predictive/outlooks/monthly/swa_monthly.pdf)

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*The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.*

1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3460 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/ocd](http://www.emnrd.state.nm.us/ocd)