

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

NM OIL CONSERVATION State of New Mexico
ARTESIA DISTRICT Energy Minerals and Natural Resources

APR 20 2015 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

RECEIVED

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 OXY USA INC

whose address is P.O. Box 50250 Midland, TX 79710

hereby requests an exception to Rule 19.15.18.12 for 120 days or until

August, Yr 2015, for the following described tank battery (or LACT):

Name of Lease Peaches 19 Federal Name of Pool Cottonwood Draw Bone Spring

Location of Battery: Unit Letter B Section 19 Township 25S Range 27E

Number of wells producing into battery (2) 1H-3001540250 - 2H-3001542362

B. Based-upon oil production of 700 barrels per day, the estimated * volume
of gas to be flared is 1400 MCF; Value \$4900 per day.

C. Name and location of nearest gas gathering facility:
Enterprise Lat: 32.122352 Long: 104.245895

D. Distance 1.37 miles Estimated cost of connection \$0

E. This exception is requested for the following reasons: This request is due to the Enterprise Products Partners LP pipeline that transports gas for these wells is located within the Gypsum Wild-Buckwheat Habitat. Enterprise was required to shut in the pipeline while it is being re-routed out of the habitat. The pipeline is currently planned to be completed by August, 2015.

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 [Signature]

Printed Name
& Title David Stewart Sr. Regulatory Advisor

E-mail
Address david_stewart@oxy.com

Date 4/15/15 Telephone No. 432-685-5717

OIL CONSERVATION DIVISION

Approved Until 4/28/15

ACCEPTED FOR RECORD
[Stamp]

By _____

Title Accepted for Record

Date Approval must be from

BLM

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM107368
2. Name of Operator OXY USA INC.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 50250 MIDLAND, TX 79710		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 432-685-5717 Fx: 432-685-5742		8. Well Name and No. PEACHES 19 FEDERAL 1H-2H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 19 T25S R27E NWNE 32.121770 N Lat, 104.228370 W Lon		9. API Well No.
		10. Field and Pool, or Exploratory COTTONWOOD DRAW BONE SPRG
		11. County or Parish, and State EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

OXY USA Inc. respectfully requests to flare gas. This request is due to the Enterprise Products Partners LP pipeline that transport gas for this well was located within the Gypsum Wild-Buckwheat Habitat. Enterprise was required to shut in the pipeline while it is being re-routed out of the habitat. The pipeline is currently planned to be completed by August, 2015.

- 1. Peaches 19 Federal #1H - 30-015-40250
- 2. Peaches 19 Federal #2H - 30-015-42362

Accepted for record
NMOC/D 9/28/15

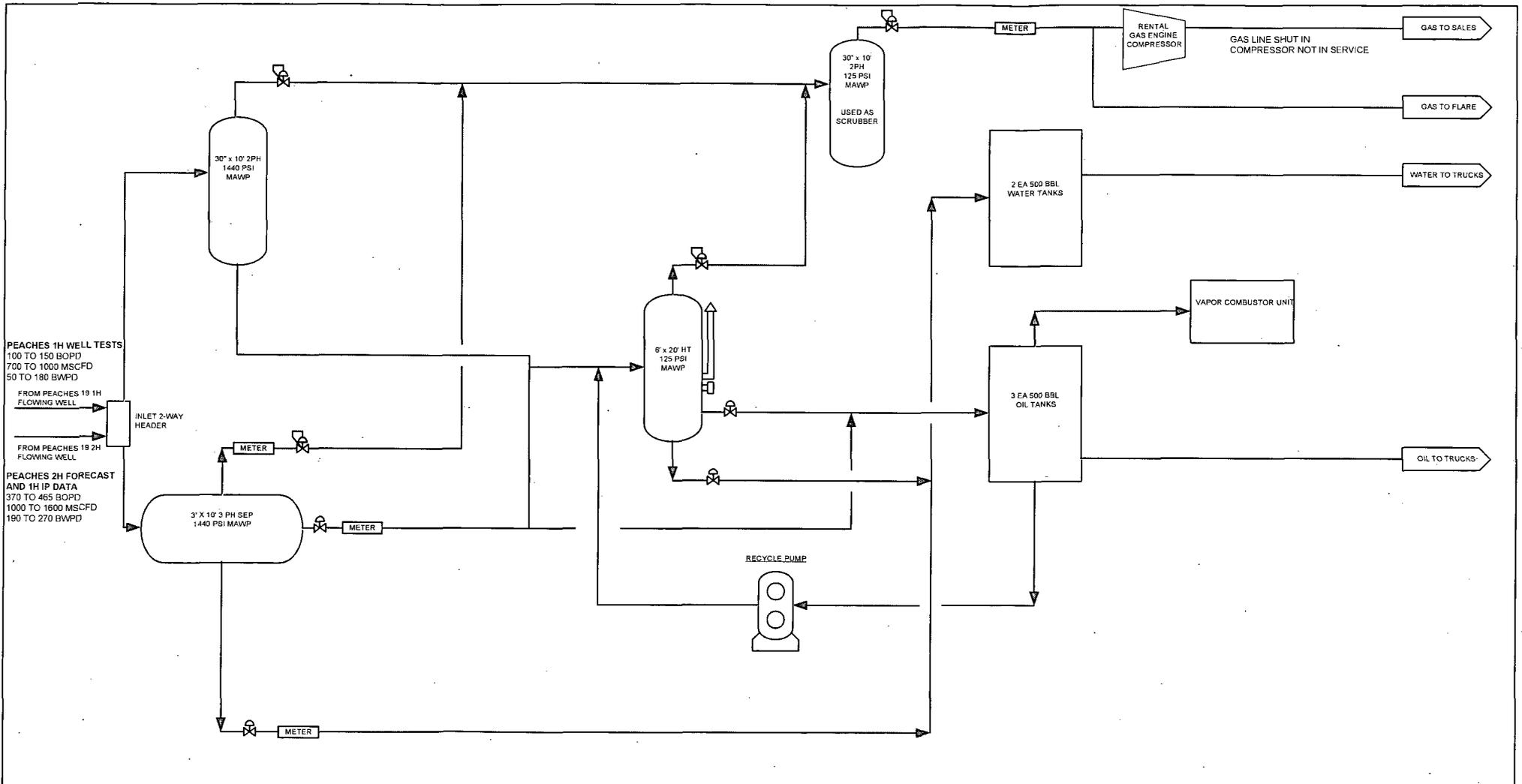
14. I hereby certify that the foregoing is true and correct. Electronic Submission #298259 verified by the BLM Well Information System For OXY USA INC., sent to the Carlsbad	
Name (Printed/Typed) DAVID STEWART	Title SR. REGULATORY ADVISOR
Signature (Electronic Submission)	Date 04/15/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

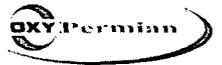
Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****



LEGEND		REVISION BLOCK					ENGINEERING RECORD		
—	PRODUCTION MIX	NO.	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE
—	OIL	0	07/31/14	PROPOSED	KAO			DRN: KAO	07/31/14
—	GAS							DES:	
—	WATER							CHK:	
—	EQUIPMENT							APP:	
								AFE:	



BLOCK FLOW DIAGRAM

PEACHES 19-1H