B.

C.

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: WPX Energy Production, LLC

whose address is: P.O. Box 640, Aztec, NM 87410,

hereby requests an exception to Rule 19.15.18.12 until $\frac{9}{22}{14}$, for the following described tank battery (or LACT):

| Name of Lease: <u>Chaco 2306-20L #206H API-30-043-21190</u> Name of Poo | ol: Lybrook Gallup | | |
|--|---|--|--|
| Location of Battery: Unit Letter <u>L</u> Section <u>20</u> Township <u>23N</u> | _Range 6W _ | | |
| Number of wells producing into battery 2 | | | |
| Based upon oil production of $\underline{340}$ barrels per day, the estimated volume | | | |
| of gas to be flared is 1750 MCF/D; Value: \$7000 per day. | RCVD SEP 3'14 | | |
| of gas to be hared is <u>1750 (HEF/D</u> , Value: <u>57000</u> per day. | OIL CONS. DIV. | | |
| Name and location of nearest gas gathering facility: | 4. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | |
| Chaco Trunk 3 (WPX Energy Production), LLC; Sec 19, T 23N R 06W | | | |
| | | | |

D. Distance BUILT Estimated cost of connection

E. This exception is requested for the following reasons: WPX Energy requests authorization to flare this well due to an expected spike in nitrogen content. On or about 9/2/14 frac activity began on the Chaco 2306-19E #205H. This activity is expected to cease on 9/4/14 and WPX planning to flare on or around 9/8/14. High nitrogen content is anticipated for approximately 14 days after the start of flaring. Therefore, WPX is requesting a no-flare exception until 9/22/14.

| 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 Approved Until |
|--|--|
| Signature Printed Name & Title Mark Heil, Regulatory Specialist | By |
| E-mail Addressmark.heil@wpxenergy.com | Date SEP 0 3 2014 |
| Date: 9/3/14 Telephone No. (505) 333-1806 | |

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



PAD METER

Remarks:

2030 Afton Place Farmington, NM 87401 (505) 325-6622

Analysis No: WP140296 Cust No: 85500-11285

Well/Lease Information

| Customer Name: | WPX ENERGY PRODUCTION, LLC | Source: | SPOT |
|-----------------|----------------------------|----------------|------------|
| Well Name: | CHACO 2306-20L #206H | Pressure: | 196 PSIG |
| County/State: | | Sample Temp: | DEG. F |
| Location: | | Well Flowing: | |
| Field: | | Date Sampled: | 08/21/2014 |
| Formation: | | Sampled By: | CODY BOYD |
| Cust. Stn. No.: | 62389320 | Foreman/Engr.: | CODY BOYD |
| | | | |

RCVD SEP 3'14

DIL CONS. DIV.

| فسه ويؤخب تساء | D | Ţ | 5 | ł | | 3 |
|----------------|---|---|---|---|--|---|
|----------------|---|---|---|---|--|---|

| | | Analysis | | |
|-------------|---------|----------|---------|--------------|
| Component:: | Mole%: | **GPM: | *BTU: | *SP Gravity: |
| Nitrogen | 16.955 | 1.8710 | 0.00 | 0.1640 |
| CO2 | 0.273 | 0.0470 | 0.00 | 0.0041 |
| Methane | 59.083 | 10.0490 | 596.73 | 0.3273 |
| Ethane | 11.966 | 3.2110 | 211.76 | 0.1242 |
| Propane | 7.166 | 1.9810 | 180.31 | 0.1091 |
| Iso-Butane | 0.923 | 0.3030 | 30.02 | 0.0185 |
| N-Butane | 2.048 | 0.6480 | 66.81 | 0.0411 |
| I-Pentane | 0.509 | 0.1870 | 20.36 | 0.0127 |
| N-Pentane | 0.446 | 0.1620 | 17.88 | 0.0111 |
| Hexane Plus | 0.631 | 0.2820 | 33.26 | 0.0209 |
| Total | 100.000 | 18.7410 | 1157.14 | 0.8330 |

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

| 3.9 |
|-----|
| 3.6 |
| 356 |
| ļ |

DRY BTU @ 14.650: 1157.6
DRY BTU @ 14.696: 1161.2
DRY BTU @ 14.730: 1163.9
DRY BTU @ 15.025: 1187.2

GPM, BTU, and SPG calculations as shown above are based on current GPA factors.

| CYLINDER #: | RE #12 |
|--------------------|------------------|
| CYLINDER PRESSURE: | 165 PSIG |
| DATE RUN: | 8/22/14 12:29 PM |
| ANALYSIS RUN BY: | DAWN BLASSINGAME |



WPX ENERGY PRODUCTION, LLC WELL ANALYSIS COMPARISON

Lease: CHACO 2306-20L #206H Stn. No.: 62389320 Mtr. No.:

SPOT

09/03/2014 85500-11285

| Smpl Date: | 08/21/2014 | 08/14/2014 |
|------------|------------|------------|
| Test Date: | 08/22/2014 | 08/15/2014 |
| Run No: | WP140296 | WP140291 |
| Nitrogen: | 16.955 | 45.130 |
| CO2: | 0.273 | 0.229 |
| Methane: | 59.083 | 38.921 |
| Ethane: | 11.966 | 7.575 |
| Propane: | 7.166 | 4.723 |
| I-Butane: | 0.923 | 0.646 |
| N-Butane: | 2.048 | 1.494 |
| I-Pentane: | 0.509 | 0.400 |
| N-Pentane: | 0.446 | 0.350 |
| Hexane+: | 0.631 | 0.533 |
| BTU: | 1163.9 | 777.3 |
| GPM: | 18.7410 | 16.1530 |
| SPG: | 0.8356 | 0.8869 |