

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

NFO Permit

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

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)

OIL CONS. DIV DIST. 3

NOV 25 2014

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 12/30/14, for the following described tank battery (or LACT):

Name of Lease: NE CHACO COM #239H API-30-039-31204 Name of Pool: Chaco Unit NE HZ (Oil) (330')

Location of Battery: Unit Letter L Section 06 Township 23N Range 6W

Number of wells producing into battery 3

B. Based upon oil production of 100 barrels per day, the estimated volume of gas to be flared is 215 MCF/D; Value: \$860 per day.

C. Name and location of nearest gas gathering facility:

Beeline Gas Systems, Sec 12, T23N, R07W

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 above acceptable Beeline Gas Systems standards due to nearby frac activity on the NE CHACO COM #176H, and NE CHACO COM #177H. As a result, WPX Energy is anticipating that the NE CHACO COM #239H may experience crossflow. If a crossflow event on the well results in nitrogen content above Beeline Gas Systems standards, flaring may begin as soon as 12/1/14 given approval. The well would flare for up to 30 days. Pipeline quality gas should be obtained within 30 days. A gas sample will be collected upon the confirmation of crossflow and sent to a third party for a gas analysis. The results of the gas analysis will be submitted upon receipt.

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 Mark Heil

Printed Name & Title Mark Heil, Regulatory Specialist

E-mail Address mark.heil@wpxenergy.com

Date: 11/25/14 Telephone No. (505) 333-1806

OIL CONSERVATION DIVISION

Approved Until 12/31/14

By Bob Roll

Title

Date 11/25/14

See Conditions of Approval attached

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



OCD Conditions of Approval

Application Type:

C-129 Application for Exception to No-Flare Rule
19.15.18.12

Conditions of Approval:

If flaring is necessary notify NMOCD within 24hrs of Flaring commencement.

Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.

Note: Other agencies approval may also be required.