

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)

OIL CONS. DIV DIST. 3

DEC 16 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 1/30/15, for the following described tank battery (or LACT):

Name of Lease: **NE CHACO COM #203H API-30-039-31244** Name of Pool: **Chaco Unit NE HZ (Oil)**

Location of Battery: Unit Letter I Section 13 Township 23N Range 7W

Number of wells producing into battery 3

B. Based upon oil production of **165** barrels per day, the estimated volume of gas to be flared is **1,775 MCF/D**; Value: **\$6745** per day.

C. Name and location of nearest gas gathering facility:

Chaco Trunk 4-2 CDP, 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 Enterprise pipeline standards due to current nearby frac activity on the NE CHACO COM #201H, NE CHACO COM #202H, and NE CHACO COM #270H. As a result, WPX Energy is anticipating that the NE CHACO COM #203H may experience crossflow. If a crossflow event on the well results in nitrogen content above Enterprise pipeline standards, WPX will flare this well. Currently, this well has approval until 12/31/14. However, WPX anticipates that approval may be needed to further extend this date until 1/30/15, since NMOCD requested that paperwork be filed early due to the holiday season. Pipeline quality gas should be obtained by 1/30/15. 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: 12/15/14 Telephone No. (505) 333-1806

OIL CONSERVATION DIVISION

Approved Until 1-31-15

By Charlitta

Title SUPERVISOR DISTRICT #3

Date DEC 26 2014

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