

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: 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 2/22/15, for the following described tank battery (or LACT):

Name of Lease: NE CHACO COM #201H API-30-039-31256 Name of Pool: Chaco Unit NE HZ (Oil)

Location of Battery: Unit Letter M Section 17 Township 23N Range 6W

Number of wells producing into battery 3

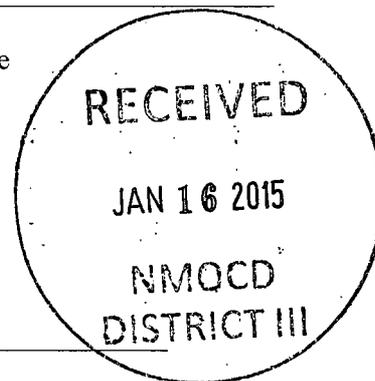
B. Based upon oil production of 360 barrels per day, the estimated volume of gas to be flared is 2100 MCF/D; Value: \$6300 per day.

C. Name and location of nearest gas gathering facility:

Williams Field Service, Sec 18, T23N, R06W

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 a high nitrogen content above acceptable Williams Field Service pipeline standards due to nearby frac activity on the NE CHACO COM #199H, NE CHACO COM #200H, NE CHACO COM #268H, and NE CHACO COM #269H scheduled to occur on 1/23/15. As a result, WPX Energy is anticipating that the NE CHACO COM #201H may experience crossflow. If the well experiences crossflow from the stimulation activity, a gas sample will be collected and sent to a third party for a gas analysis to determine the nitrogen content of the well. If the well needs to flare, the results of the gas analysis will be submitted upon receipt. The well could flare for up to 30 days if given approval. Pipeline quality gas should be obtained within 30 days of flaring. If the well does not need to flare within the time of approval, a sundry will be written to clarify that WPX did not need to flare the well.



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: 1/15/14 Telephone No. (505) 333-1806

OIL CONSERVATION DIVISION

Approved Until 2-22-15

By Charles Kern

Title SUPERVISOR DISTRICT #3

Date JAN 15 2015

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

XC