

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)

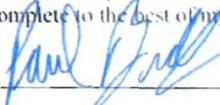
**APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12**

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

30-045-35841

- A. Applicant Encana Oil and Gas (USA) Inc.,  
whose address is 370 17<sup>th</sup> Street, Suite 1700 Denver, CO 80202,  
hereby requests an exception to Rule 19.15.18.12 from October 14, 2018      until  
November 30, 2018, for the following described tank battery (or LACT):  
Name of Lease Nageezi 405H & 406H (KO3) Name of Pool \_\_\_\_\_  
Location of Battery: Unit Letter K Section 3 Township 23N Range 9W  
Number of wells producing into battery 2
- B. Based upon oil production of \_\_\_\_\_ barrels per day, the estimated \* volume  
of gas to be flared is 22,000 MCF; Value \$ 6,789 per day.
- C. Name and location of nearest gas gathering facility:  
Enterprise Bisti Compressor Station, Section 29 T25N R9W
- D. Distance ~10 miles Estimated cost of connection – It is currently connected
- E. This exception is requested for the following reasons:

There is excess O2 down hole in the well. The well is currently shut in due to offset fracking. The well will come back on line on October 14, 2018. The O2 is high enough that the gas cannot meet pipeline specifications and the gas must be flared as and until Encana can determine and solve the issue.

<b>OPERATOR</b> 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 <u></u> Printed Name & Title <u>Paul Buck, Manager, Field Environmental</u> E-mail Address <u>paul.buck@encana.com</u> Date <u>10/01/2018</u> Telephone No. <u>720-876-3513</u>	<b>OIL CONSERVATION DIVISION</b> Approved Until _____ By _____ Title _____ Date _____ <b>DENIED</b> Kate Pickford
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\* Gas-Oil ratio test may be required to verify estimated gas volume.

NMOCD  
OCT 04 2018  
DISTRICT III