

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 May 13, 2020

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

OCD - REC'D 8/17/2020

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 Grizzly Operating, LLC.
whose address is 5847 San Felipe, Ste 3000 Houston, TX 77057.
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
11/26, Yr 20, for the following described tank battery (or LACT):
Name of Lease Kersay St Battery Name of Pool Red Lake, Glorieta-Yeso NE
Location of Battery: Unit Letter P Section 32 Township 17S Range 28E
Number of wells producing into battery 8
- B. Based upon oil production of 91 barrels per day, the estimated * volume
of gas to be flared is 396 MCF; Value \$ 530.46 per day.
- C. Name and location of nearest gas gathering facility:
Frontier Empire Abo Gas Plant
- D. Distance N/A Estimated cost of connection N/A
- E. Confirmed compliance with conditions required by New Mexico State Forestry's issuance of Order 2020-01
SMOKING, FIREWORK, CAMPFIRE, AND OPEN FIRE RESTRICTIONS FOR NEW MEXICO issued May 13,
2020 (Circle one) Yes No
- F. This exception is requested for the following reasons: Curtailments for
repairs at Frontier Empire Abo Gas Plant

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 Carie Stoker

Printed Name
& Title Carie Stoker Reg. Affairs Coord.

E-mail Address carie@stokeroilfield.com

Date 8/12/20 Telephone No. 432-664-7659

OIL CONSERVATION DIVISION

Approved Until 11/19/2020 (90 days)

By John Garcia

Title Petroleum Engineer

Date 8/21/2020

See Attached COAs

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

<u>API</u>	<u>Well Name</u>	<u>Well Number</u>
30-015-30888	KERSEY STATE	#001
30-015-30889	KERSEY STATE	#002
30-015-35562	KERSEY STATE	#003
30-015-37692	KERSEY STATE	#004
30-015-37693	KERSEY STATE	#005
30-015-41165	KERSEY STATE	#006
30-015-42162	KERSEY STATE	#007
30-015-42163	KERSEY STATE	#008

NEW MEXICO OIL CONSERVATION DIVISION

DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210

(575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for Red Flag Warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
11. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.
12. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
13. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
14. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Laura McCarthy
State Forester
Forestry Division



2020-02

**REVISED SMOKING, FIREWORK, CAMPFIRE, AND OPEN FIRE RESTRICTIONS FOR
NEW MEXICO**

Due to abnormally warm temperatures, low humidity, high winds, and the abundance of dry, fine fuels, fire danger throughout much of New Mexico is high. Fire incidents for all wildland fire agencies are increasing daily. Pursuant to NMSA, Section 68-2-16, and other sections of the Forest Conservation Act, NMSA 1978, Section 68-2-1 to 68-2-25, and 19.20.3 NMAC; Restrictions for Fire Prevention, the Energy, Minerals and Natural Resources Department, Forestry Division, State Forester, has placed the following restrictions on non-municipal, non-federal, and non-tribal lands statewide.

**SMOKING, FIREWORKS, CAMPFIRES, OPEN BURNING, AND OPEN FIRES ARE
PROHIBITED UNLESS THE FOLLOWING CONDITIONS ARE MET:**

Smoking is prohibited except in enclosed buildings, within vehicles equipped with ashtrays, and on paved or surfaced roads, developed recreation sites, or while stopped in an area at least three feet in diameter that is barren or cleared of all flammable material.

Fireworks use is prohibited on lands covered wholly or in part in timber, brush, grass, grain, or other flammable vegetation. The State Forester is allowing exceptions to the ban on fireworks where they are a part of a public exhibit approved by the local fire department.

Campfires are prohibited unless the following exceptions are met. An exception is granted where cooking or heating devices use kerosene, white gas, or propane as a fuel in an improved camping area that is cleared of flammable vegetation for at least 30 feet or has a water source. New Mexico State Parks and New Mexico Department of Game and Fish lands are included in this prohibition. For more information regarding New Mexico State Parks contact the local State Park Superintendent or Manager or visit the website at www.nmparks.com.

The State Forester is also allowing exceptions for charcoal grills and wood and coal stoves within yards associated with a residence or on the premises of a business.

- b. the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other non-facility related flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Other exceptions may be requested.

The State Forester may allow additional exemptions upon receiving a written request and granting subsequent approval in writing. You may apply for exemptions other than those listed above for flaring or agricultural burning on the Forestry Division website at <http://www.emnrd.state.nm.us/SFD/>. The exemptions provided above in this Fire Restrictions Order for flaring and agricultural burning do not require written approval so long as the conditions listed are met.

An exemption does not relieve a person from any civil or criminal liability associated with an uncontrolled fire, including costs associated with wildland fire suppression.

These revised restrictions become effective at 12:00 p.m. Tuesday, May 19, 2020 and will remain in effect until rescinded.

DONE THIS 19th DAY OF MAY 2020



Laura McCarthy, State Forester
Forestry Division



Sarah Cottrell Propst, Cabinet Secretary
Energy, Minerals and Natural Resources Department

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Laura McCarthy, State Forester
Forestry Division



Fire Restrictions Exceptions Procedures

For the State Forester to consider an exception to the State of New Mexico's Smoking, Firework, Campfire, and Open Fire Restrictions to conduct an open fire activity on non-municipal, non-federal, and non-tribal lands statewide, you must provide the following information in your emailed request:

- Landowner's or Operator's name
- Name and contact information of person in charge
- Number of personnel on site to monitor and maintain control
- Location of open fire activity including latitude and longitude if available
- Legal location of open fire activity (township and range)
- County where open fire activity will take place
- Equipment on site during the open fire activity, if applicable
- How you will notify the local fire department and Forestry Division before ignition.

The information that you provide will be beneficial in providing a timely response to your exception request.

If you have any questions or are requesting an exception, please email and carbon copy or telephone the following individuals:

Vernon Muller VernonJ.Muller@state.nm.us (505) 690-1069
Robert Brown Robert.Brown@state.nm.us (505) 660-5705
Wendy Mason Wendy.Mason@state.nm.us (505) 690-8210

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

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Instructions on filing Form C-115

http://www.emnrd.state.nm.us/OCD/documents/C115_FullInstructions10.2017.pdf

RULES

19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

A. An operator shall file a form **C-115** for each non-plugged well completion for which the division has approved a form **C-104** and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible based on periodic tests.

19.15.18.12 CASINGHEAD GAS:

F. Pending connection of a well to a gas-gathering facility, or when a well has been excepted from the provisions of **Subsection A of 19.15.18.12 NMAC**, the operator shall burn all gas produced and not used and report the estimated volume on form **C-115**.

Thank you for your assistance in this matter. If you have any questions, please contact the appropriate OCD District Office.

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary Designate

Gabriel Wade, Acting Director
Oil Conservation Division



OIL CONSERVATION DIVISION

NOTICE TO OIL AND GAS OPERATORS

Vented & Flared Volumes Reporting Communication

On October 19, 2015, the Oil Conservation Division issued a Notice to Operators that implemented the "Non-Transported Disposition" Code "F" for flared gas and to report vented volumes utilizing the existing "V" code for any vented gas. The change became effective for November, 2015 production month with reporting date of January 15, 2016.

The Gas Capture Committee's continuing evaluation of volumes being reported determined that not all Operators are following the requirement to report flared and vented volumes. Out of 603 well Operators active in the state. Only 51 Operators are reporting volumes using the "V" and "F" code.

It is very important that all Operators in New Mexico report flared and vented volumes since part of the evaluation will help determine any policy or requirements setting goals for reduction of flared gas. We urge all companies to work with their operations and production accounting groups to ensure proper production reporting.

DAVID R. CATANACH, Director

March 8, 2017