State of New Mexico Rec'd 06/08/2020 - NMOCD Energy Minerals and Natural Resources

District I

District III

1625 N. French Dr., Hobbs, NM 88240

1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

811 S. First St., Artesia, NM 88210

Form C-129

Revised May 13, 2020

(For Division Use Only)

Submit one copy to appropriate District Office

NFO Permit No.

APPLICATION FOR	EXCEPTION TO NO	-FLARE RIII	E 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC) A. Applicant Murchison Oil and Gas, LLC whose address is 7250 Dallas Parkway, Ste. 1400, Plano, TX 75024 hereby requests an exception to Rule 19.15.18.12 for 90 days beginning 06/20/2020 or until <u>September 18, 2020</u> for the following described tank battery (or LACT): Name of Lease Huggie Bear State Com 1 (30-015-32176) Name of Pool Anderson; Wolfcamp, North Location of Battery: Unit Letter H Section 2 Township 17S Range 28E Number of wells producing into battery 1 Based upon oil production of ______ barrels per day, the estimated * volume B. of gas to be flared is 17 MCF; Value \$9 C. Name and location of nearest gas gathering facility: DCP Midstream, Artesia Processing Plant, Eddy County, NM D. Distance Estimated cost of connection 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 This exception is requested for the following reasons: Flaring is needed for safety purposes and/or short F. term unplanned operational needs. Well shut in at this time may damage formation and reduce future production. OIL CONSERVATION DIVISION OPERATOR I hereby certify that the rules and regulations of the Oil Conservation June 20-Sept. 18, 2020 (90 days) Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signature By Kurt Simmons Printed Name Title Specialist, Santa Fe & Title Gary R. Cooper, Vice President Operations Date _06/08/2020 E-mail Address rcooper@jdmii.com Date 06/8/20 Telephone No. 972-931-0700

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