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 EMNRD-OCD ARTESIA Form C-129

l Conservation Division 20 South St. Francis Dr. Santa Fe, NM 87505

REC'D: 7/29/2020 Revised May 13, 2020

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 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 08/11/2020 or until November 9, 2020 for the following described tank battery (or LACT): Name of Lease <u>Jawbone State</u> Name of Pool <u>Cottonwood Draw; Bone Spring</u> Location of Battery: Unit Letter <u>B</u> Section <u>2</u> Township 25S Range 26E Number of wells producing into battery 4: 30-015-43987, 30-015-43984, 30-015-43985, 30-015-43986 Based upon oil production of ______barrels per day, the estimated * volume B. of gas to be flared is ______MCF; Value ______\$1,673 per day. C. Name and location of nearest gas gathering facility: Red Hills Plant, Lea County, NM D. Distance Estimated cost of connection Confirmed compliance with conditions required by New Mexico State Forestry's issuance of Order 2020-01 E. SMOKING, FIREWORK, CAMPFIRE, AND OPEN FIRE RESTRICTIONS FOR NEW MEXICO issued May 13, 2020 (Circle one) Yes 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. **OPERATOR** OIL CONSERVATION DIVISION I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above Approved Until Aug. 11-Nov. 9, 2020 (90 days) is true and complete to the best of my knowledge and belief. Signature **Kurt Simmons** ByPrinted Name NMOCD, Santa Fe Title & Title <u>Gary R. Cooper, Vice President Operations</u> Date 08/03/2020 E-mail Address <u>rcooper@idmii.com</u>

Date 07/29/20 Telephone No. 972-931-0700

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