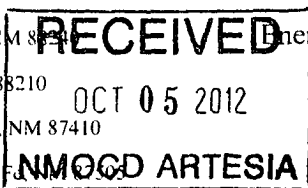


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



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)

015-36484
015-36485
015-37543
015-37544

- A. Applicant COG Operating LLC,
whose address is One Concho Center, 600 West Illinois Avenue, Midland, TX 79707,
hereby requests an exception to Rule 19.15.18.12 for 365 days or until
October 2, Yr 2013, for the following described tank battery (or LACT):
Name of Lease Kool Aid State Battery Name of Pool Empire;Glorieta, Yeso
Location of Battery: Unit Letter B Section 24 Township 17S Range 28E
Number of wells producing into battery 24
- B. Based upon oil production of 510 barrels per day, the estimated * volume
of gas to be flared is 1000 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
Frontier
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: _____
Frontier currently is unable to accept all gas from the battery. As much gas as possible will be
sold while flaring the excess. COG is currently looking into a second purchaser to sell the excess
gas to.

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 Brian Maiorino

Printed Name
& Title Brian Maiorino, Regulatory Analyst

E-mail Address bmaiorino@concho.com

Date 10/02/12 Telephone No. 432-221-0467

OIL CONSERVATION DIVISION

Approved Until Mar 31 - 2013

By LR Dade

Title Dist #1 Supervisor

Date 10/9/2012

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