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 19.15.18.1 | 12 NMAC and Rule 19.15.7.37 NMAC) | | | |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| A. | Applicant De | evon Energy Production Company, L.P. | | | |
| | whose address is 333 W | Vest Sheridan Avenue, Oklahoma City, OK 73102 , | | | |
| | hereby requests an exception to Ru | tle 19.15.18.12 for days or until | | | |
| • | August 31 , Yr | 2015 , for the following described tank battery (or LACT): | | | |
| | Name of LeaseCotton Draw | w Unit Name of Pool Paduca; Bone Spring | | | |
| | Location of Battery: Unit Letter_ | C Section 36 Township 245 Range 31E | | | |
| | Number of wells producing into ba | ittery 3 State wells: Cotton Draw Unit 214H (30-015-41537), 244H (30-015-42331), 116H (30-015-37926); 7 Fed wells: CDU 167H, 203H, 204H, 205H, 206H, 207H, 213H | | | |
| В. | Based upon oil production of | 2400 (battery total) barrels per day, the estimated * volume | | | |
| | of gas to be flared is 520 | MCF; Valueper day. | | | |
| C. | Name and location of nearest gas gathering facility: | | | | |
| | | DCP; Cotton Draw Booster | | | |
| D. | Distance On Site Estimated cost of connection Existing Connection | | | | |
| E. | This exception is requested for the following reasons: | | | | |
| | Intermittent flare necessary due to res | stricted pipeline capacity at respective sales points. NIM OIL CONSERVA | | | |
| | Requesting 90 days to start June 2, 20 | 15 through August 31, 2015. JAN 0 8 2016 | | | |
| | | | | | |
| | | | | | |
| PERATOR preby certify that the rules and regulations of the Oil Conservation | | . [| | | |
| | een complied with and that the information give lete to the best of my knowledge and belief. | Approved Until | | | |
| gnature | Qualak- | By | | | |
| inted Name Title | ; ara Cook, Regulatory Compliance Associat | teTitle | | | |
| mail Addre | | - Date | | | |
| ate 7/9/ | · | so. | | | |

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

Flaring Conditions of Approval

- 1. Report all volumes on OGOR B as disposition code 08.
- 2. Comply with NTL-4A requirements
- 3. Subject to like approval from NMOCD
- 4. Flared volumes will still require payment of royalties
- 5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5. Include meter serial number on sundry.
- 6. This approval does not authorize any additional surface disturbance.
- 7. Submit updated facility diagram as per Onshore Order #3.
- 8. Approval not to exceed 90 days from date requested on sundry.
- 9. Submit Subsequent Report to this sundry with actual volumes of gas flared monthly on 3160-5 (sundry notice).
- 10. If flaring is still required past 90 days submit new request for approval.
- 11. If a portable unit is used to flare gas it must be monitored at all times.
- 12. Comply with any restrictions or regulations when on State or Fee surface.

JAM 121615

Additional data for EC transaction #308608 that would not fit on the form

5. Lease Serial No., continued

NMNM012121 NMNM036379 NMNM89055

7. If Unit or CA/Agreement, Name and No., continued

891005247F 891005247X

Wells/Facilities, continued

| Agreement NMNM70928X | Lease NMNM012121 | Well/Fac Name, Number / COTTON DRAW UNIT 203H | API Number 30-015-41847-00-S1 |
|--------------------------|--------------------------|--------------------------------------------------|------------------------------------------|
| NMNM70928X | NMNM012121 | COTTON DRAW UNIT 204H | 30-015-41818-00-S1 |
| NMNM70928X | NMNM012121 | COTTON DRAW UNIT 205H | 30-015-42071-00-51 |
| NMNM70928X | NMNM012121- | COTTON DRAW UNIT 206H | 30-015-42072-00-51 |
| NMNM70928X | NMNM012121 | COTTON DRAW UNIT 207H | 30-015-42073-00-S1 |
| NMNM70928X NMNM70928X | NMNM012121 NMNM036379 | COTTON DRAW UNIT 167H COTTON DRAW UNIT 213H | 30-015-41385-00-S1 30-015-41869-00-S1 |
| NMNM70928G | NMNM89055 | COTTON DRAW UNIT 116H | 30-015-37926-00-S1 |

Location
Sec 26 T24S R31E SESW 150FSL 1360FWL
32.181487 N Lat, 103.752720 W Lon
Sec 26 T24S R31E SESW 0150FSL 1410FWL
32.181872 N Lat, 103.752558 W Lon
Sec 26 T24S R31E SWSE 150FSL 1450FEL
32.181493 N Lat, 103.744241 W Lon
Sec 26 T24S R31E SWSE 150FSL 1400FEL
32.181930 N Lat, 103.445625 W Lon
Sec 25 T24S R31E SWSW 150FSL 1300FWL
32.181498 N Lat, 103.735837 W Lon
Sec 25 T24S R31E NESW 2310FSL 2200FWL
Sec 35 T24S R31E NESW 2310FSL 2200FWL
Sec 36 T24S R31E SESE 330FSL 430FEL

10. Field and Pool, continued

UNKNOWN

32. Additional remarks, continued

Cotton Draw Unit 205H (30-015-42071) - Cotton Draw Unit 206H (30-015-42072) Cotton Draw Unit 207H (30-015-42073) Cotton Draw Unit 213H (30-015-41869)

State wells also producing to battery: Cotton Draw Unit 214H (30-015-41537) Cotton Draw Unit 244H (30-015-42331) Cotton Draw Unit 116H (30-015-37926)

A Subsequent Report will be filed with total actual volumes.

Attachment: NMOCD C-103 & C-129