

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

HOBBBS
MAY 31 2016
RECEIVED

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 CHEVRON USA INC.,
whose address is 1616 W. BENDER BLVD, HOBBS, NM 88240,
hereby requests an exception to Rule 19.15.18.12 for 120 ~~120~~ 90 days or until
_____, Yr _____, for the following described tank battery (or LACT):

Name of Lease Corral Canyon 12 State #1H Name of Pool Corral Canyon Delaware West
Location of Battery: Unit Letter O Section 12 Township 25S Range 29E
Number of wells producing into battery 1 30-015-35771 ←

B. Based upon oil production of 21 barrels per day, the estimated * volume
of gas to be flared is 75 MCF; Value \$180 per day.

C. Name and location of nearest gas gathering facility:
Energy Transfer

DISTRICT II
ARTESIA

D. Distance 2 miles Estimated cost of connection \$300K(pending 3rd party gatherer capacity).

E. This exception is requested for the following reasons: Facility shut in due to 3rd party downtime (DBM Ramsey Plant with cessation of production implications. Expect to flare long enough to produce payable quantities then shut down until next COP date approaches; anticipate flaring for 2 days every 45 days for approx. 12 months; results in flaring <5% of the time during the 12-month period. During this period of time, operator will work with 3rd party to re-establish pipeline gas takeaways.

<p>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.</p> <p>Signature <u>Josepha DeLeon</u></p> <p>Printed Name & Title <u>Josepha DeLeon</u></p> <p>E-mail Address <u>jdx@chevron.com</u></p> <p>Date <u>5/26/2016</u> Telephone No. <u>575-263-0424</u></p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved Until <u>8/26/2016</u></p> <p>By <u>Marys Brown</u></p> <p>Title _____</p> <p>Date <u>5/31/2016</u></p>
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* Gas-Oil ratio test may be required to verify estimated gas volume.