

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)

RCVD NOV 27 '13
OIL CONS. DIV.
DIST. 3

A. Applicant: WPX Energy Production, LLC
whose address is: P.O. Box 640, Aztec, NM 87410,

hereby requests an exception to Rule 19.15.18.12 until 12/31/13, for the following described tank battery (or LACT):

Name of Lease: CHACO 2206-16I #224H API-30-043-21161 Name of Pool: Lybrook Gallup

Location of Battery: Unit Letter I Section 16 Township 22N Range 6W

Number of wells producing into battery 1

B. Based upon oil production of 120 barrels per day, the estimated volume
of gas to be flared is 900 MCFD; Value: \$3000 per day.

C. Name and location of nearest gas gathering facility:
Williams Four Corners, LLC Gas Systems in SE qtr sec 2, T22N, R6W

D. Distance 19,500 Estimated cost of connection \$700,000

E. This exception is requested for the following reasons: WPX is in the process of constructing a pipeline from the 224 that will tie in to the #228H CDP which will then tie in to to WFC Gathering. Construction time expected to last no more than 4 weeks.

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 Heather Riley

Printed Name
& Title Heather Riley, Regulatory Specialist, Sr.

E-mail Address heather.riley@wpxenergy.com

Date: 11/27/13 Telephone No. (505) 333-1822

OIL CONSERVATION DIVISION

Approved Until 12-31-2013

By Charles Lee

Title SUPERVISOR DISTRICT # 3

Date NOV 30 2013

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