rDistrict 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 MAR 28 '14
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 5/1/14, for the following described tank battery (or LACT):

Name of Lease: **Chaco 2307-13L #175H**; API 30-039-31192 Name of Pool: **Lybrook Gallup**

Location of Battery: Unit Letter **L** Section **13** Township **23N** Range **7W**

Number of wells producing into battery **1**

B. Based upon oil production of **106** barrels per day, the estimated volume of gas to be flared is **350 MCFD**; Value: **$1,400** per day.

C. Name and location of nearest gas gathering facility:

**Beeline Gas Systems in NW qtr sec 18, T23N, R6W**

D. Distance **5,250'** Estimated cost of connection **$288,000.00**

E. This exception is requested for the following reasons:

**This well is a horizontal oil well which is approximately 5,250' from the nearest planned gas gathering connection. The estimated cost to install this gas gathering line is $288,000.00. This well will is dedicated to Beeline and they are in the process of securing Right-of-Way through the BLM FFO and have not yet received authorization for the their 299 application. Please see latest gas analysis.**

| 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 is true and complete to the best of my knowledge and belief. | Approved Until 5-1-2014 |
| Signature Heather Riley | By Charles Perrin |
| Printed Name & Title Heather Riley Regulatory Team Lead | Title SUPERVISOR DISTRICT # 3 |
| E-mail Address heather.riley@wpxenergy.com | Date APR 0 1 2014 |
| Date: 3/26/14 Telephone No. (505) 333-1822 | |

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

AV

2030 Afton Place
Farmington, NM 87401
(505) 325-6622

Analysis No: WP140096
Cust No: 85500-11080

## Well/Lease Information

| | | | |
|---|---|---|---|
| Customer Name: | WPX ENERGY PRODUCTION, LLC | Source: | N/A |
| Well Name: | CHACO 2307-13L #175H | Pressure: | 90 PSIG |
| County/State: | | Sample Temp: | DEG. F |
| Location: | CHACO | Well Flowing: | |
| Field: | | Date Sampled: | 03/17/2014 |
| Formation: | | Sampled By: | STANLEY DEAN |
| Cust. Stn. No.: | | Foreman/Engr.: | CODY BOYD |

Remarks:

## Analysis

| Component:: | Mole%: | **GPM: | *BTU: | *SP Gravity: |
|---|---|---|---|---|
| Nitrogen | 14.073 | 1.5540 | 0.00 | 0.1361 |
| CO2 | 0.647 | 0.1110 | 0.00 | 0.0098 |
| Methane | 59.358 | 10.1020 | 599.52 | 0.3288 |
| Ethane | 11.594 | 3.1130 | 205.18 | 0.1204 |
| Propane | 8.409 | 2.3260 | 211.58 | 0.1280 |
| Iso-Butane | 1.106 | 0.3630 | 35.97 | 0.0222 |
| N-Butane | 2.683 | 0.8490 | 87.53 | 0.0538 |
| I-Pentane | 0.664 | 0.2440 | 26.57 | 0.0165 |
| N-Pentane | 0.617 | 0.2250 | 24.73 | 0.0154 |
| Hexane Plus | 0.849 | 0.3800 | 44.75 | 0.0281 |
| Total | 100.000 | 19.2670 | 1235.82 | 0.8592 |

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

| | |
|---|---|
| COMPRESSIBLITY FACTOR (1/Z): | 1.0041 |
| BTU/CU.FT (DRY) CORRECTED FOR (1/Z): | 1243.7 |
| BTU/CU.FT (WET) CORRECTED FOR (1/Z): | 1222.1 |
| REAL SPECIFIC GRAVITY: | 0.8623 |

**GPM, BTU, and SPG calculations as shown above are based on current GPA factors.**

| | | | |
|---|---|---|---|
| DRY BTU @ 14.650: | 1236.9 | CYLINDER #: | CC#8 |
| DRY BTU @ 14.696: | 1240.8 | CYLINDER PRESSURE: | 53 PSIG |
| DRY BTU @ 14.730: | 1243.7 | DATE RUN: | 3/19/14 9:33 AM |
| DRY BTU @ 15.025: | 1268.6 | ANALYSIS RUN BY: | LOGAN CHENEY |

WPX ENERGY PRODUCTION, LLC

WELL ANALYSIS COMPARISON

| | | | |
|---|---|---|---|
| **Lease:** | CHACO 2307-13L #175H | N/A | 03/20/2014 |
| **Stn. No.:** | | | 85500-11080 |
| **Mtr. No.:** | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Smpl Date:** | 03/17/2014 | 03/03/2014 | 02/23/2014 | 02/16/2014 | 01/31/2014 | 01/26/2014 | 01/19/2014 |
| **Test Date:** | 03/19/2014 | 03/18/2014 | 03/04/2014 | 02/24/2014 | 02/13/2014 | 02/05/2014 | 01/28/2014 |
| **Run No:** | WP140096 | WP140095 | WP140075 | WP140059 | WP140041 | WP140032 | WP140026 |
| **Nitrogen:** | 14.073 | 14.660 | 20.413 | 14.613 | 15.215 | 15.826 | 16.422 |
| **CO2:** | 0.647 | 0.386 | 0.494 | 0.385 | 0.379 | 0.381 | 0.374 |
| **Methane:** | 59.358 | 57.163 | 55.979 | 59.808 | 58.422 | 58.055 | 57.476 |
| **Ethane:** | 11.594 | 11.748 | 10.822 | 11.907 | 11.704 | 11.677 | 11.574 |
| **Propane:** | 8.409 | 8.721 | 8.288 | 8.238 | 8.157 | 8.297 | 8.255 |
| **I-Butane:** | 1.106 | 1.190 | 0.947 | 1.042 | 1.055 | 1.064 | 1.090 |
| **N-Butane:** | 2.683 | 2.980 | 2.025 | 2.441 | 2.562 | 2.636 | 2.662 |
| **I-Pentane:** | 0.664 | 0.825 | 0.391 | 0.544 | 0.678 | 0.663 | 0.685 |
| **N-Pentane:** | 0.617 | 0.801 | 0.318 | 0.482 | 0.652 | 0.624 | 0.640 |
| **Hexane+:** | 0.849 | 1.526 | 0.323 | 0.540 | 1.176 | 0.777 | 0.822 |
| **BTU:** | 1243.7 | 1295.0 | 1114.0 | 1212.5 | 1243.5 | 1222.4 | 1219.3 |
| **GPM:** | 19.2670 | 19.5980 | 18.4040 | 19.0590 | 19.2550 | 19.1190 | 19.0980 |
| **SPG:** | 0.8623 | 0.8974 | 0.8440 | 0.8437 | 0.8701 | 0.8630 | 0.8673 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 01/12/2014 | 01/05/2014 | 12/30/2013 | 12/26/2013 | 11/25/2013 | 11/19/2013 | 11/12/2013 |
| 01/14/2014 | 01/06/2014 | 12/31/2013 | 12/27/2013 | 11/26/2013 | 11/25/2013 | 11/19/2013 |
| WP140017 | WP140005 | WP130258 | WP130247 | WP130218 | WP130213 | WP130204 |
| 18.208 | 19.163 | 20.545 | 20.693 | 28.223 | 29.217 | 29.402 |
| 0.360 | 0.373 | 0.356 | 0.354 | 0.325 | 0.336 | 0.331 |
| 57.053 | 57.472 | 55.061 | 52.500 | 48.235 | 48.316 | 45.717 |
| 11.094 | 11.413 | 10.985 | 10.908 | 9.758 | 9.886 | 9.666 |
| 8.034 | 7.679 | 7.815 | 8.602 | 7.359 | 7.402 | 7.795 |
| 1.034 | 0.874 | 0.993 | 1.198 | 0.997 | 0.959 | 1.133 |
| 2.474 | 1.926 | 2.376 | 3.013 | 2.515 | 2.295 | 2.901 |
| 0.574 | 0.381 | 0.594 | 0.780 | 0.719 | 0.535 | 0.828 |
| 0.515 | 0.325 | 0.536 | 0.734 | 0.705 | 0.478 | 0.800 |
| 0.654 | 0.394 | 0.739 | 1.218 | 1.164 | 0.576 | 1.427 |
| 1174.2 | 1122.2 | 1147.9 | 1209.5 | 1084.1 | 1031.7 | 1107.5 |
| 18.7900 | 18.4660 | 18.6250 | 19.0340 | 18.1900 | 17.8610 | 18.3530 |
| 0.8571 | 0.8340 | 0.8651 | 0.9064 | 0.9056 | 0.8826 | 0.9335 |