

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)

OIL CONS. DIV DIST. 3

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

NOV 03 2014

hereby requests an exception to Rule 19.15.18.12 until 12/8/14, for the following described tank battery (or LACT):

Name of Lease: CHACO 2308-03L #405H API-30-045-35538 Name of Pool: Nageezi Gallup (330')

Location of Battery: Unit Letter L Section 3 Township 23N Range 8W

Number of wells producing into battery 2

B. Based upon oil production of 420 barrels per day, the estimated volume of gas to be flared is 1125 MCF/D; Value: \$3938 per day.

C. Name and location of nearest gas gathering facility:

Williams at Turtle Mountain, Sec 9, T23N, R08W

D. Distance BUILT Estimated cost of connection _____

E. This exception is requested for the following reasons: WPX Energy requests authorization to flare this well due to an expected spike in nitrogen content above acceptable Williams pipeline standards due to nearby frac activity on the CHACO 2308-03E #406H. As a result, WPX Energy is anticipating that the CHACO 2308-03L #405H may experience crossflow. If a crossflow event on the well results in nitrogen content above Williams pipeline standards, flaring may begin as soon as 11/8/14 given approval. The well would flare for up to 30 days. Pipeline quality gas should be obtained within 30 days. A gas sample will be collected upon the confirmation of crossflow and sent to a third party for a gas analysis. The results of the gas analysis will be submitted upon receipt.

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 Mark Heil

Printed Name & Title _____ Mark Heil, Regulatory Specialist

E-mail Address _____ mark.heil@wpxenergy.com

Date: 10/30/14 Telephone No. (505) 333-1806

OIL CONSERVATION DIVISION

Approved Until 12-10-2014

By Charles Kern

Title SUPERVISOR DISTRICT # 3

Date NOV. 03 2014

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

KE