

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)

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

OIL CONS. DIV DIST. 3

DEC 03 2014

hereby requests an exception to Rule 19.15.18.12 until 12/30/14, for the following described tank battery (or LACT):

Name of Lease: NE CHACO COM #171H API-30-039-31217 Name of Pool: Chaco Unit NE HZ (Oil) (330')

Location of Battery: Unit Letter L Section 12 Township 23N Range 7W

Number of wells producing into battery 1

B. Based upon oil production of 350 barrels per day, the estimated volume of gas to be flared is 650 MCF/D; Value: \$2600 per day.

C. Name and location of nearest gas gathering facility:

Beeline Gas Systems, Sec 12, T23N, R07W

D. Distance BUILT Estimated cost of connection _____

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 Beeline Gas Systems standards due to nearby frac activity on the NE CHACO COM #184H, and the NE CHACO COM #185H that will occur on or around 11/22/14. As a result, WPX Energy is anticipating that the NE CHACO COM #171H may experience crossflow. If a crossflow event on the well results in nitrogen content above Beeline Gas Systems standards, flaring may begin as soon as 11/22/14. The current NE CHACO COM #171H flare extension is approved until 11/30/14 and WPX is requesting an additional 30 days to flare in order to obtain pipeline quality gas. 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: 11/18/14 Telephone No. (505) 333-1806

OIL CONSERVATION DIVISION

Approved Until 12-31-2014

By Charles Herr

Title SUPERVISOR DISTRICT #3

Date DEC 03 2014

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

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