

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,

hereby requests an exception to Rule 19.15.18.12 until 3/18/15, for the following described tank battery (or LACT):

Name of Lease: Rita #5 API-30-039-23351 Name of Pool: Counselors Gallup Dakota Pool

Location of Battery: Unit Letter M Section 05 Township 23N Range 6W

Number of wells producing into battery 1

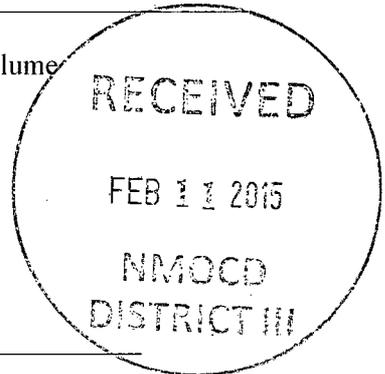
B. Based upon oil production of less than 1 barrel per day, the estimated volume of gas to be flared is 15 MCF/D; Value: \$39 per day.

C. Name and location of nearest gas gathering facility:

Enterprise, Sec 9, T23N, R06W

D. Distance BUILT Estimated cost of connection _____

E. This exception is requested for the following reasons: WPX requests authorization to emergency vent this well to an open tank, followed by authorization to flare the well. WPX anticipates wellbore communication to occur as soon as 2/16/15 from stimulation activity on the NE CHACO COM #197H, NE CHACO COM #198H, NE CHACO COM #266H, and NE CHACO COM #267H. The Rita #5 well will not be shut in due to a possible pressure increase that may threaten the integrity of the well's downhole tubulars. Consequently, WPX plans to vent the well to an open tank in the event of wellbore communication. Personnel will be onsite with LEL monitors for the duration of the stimulation activity. Following the emergency venting procedure, WPX would flare the well for up to 30 days (until 3/18/15) to achieve an acceptable pipeline quality. The stimulation activity could possibly result in a significant nitrogen increase above Enterprise pipeline standards. If flaring occurs, the results of the gas analysis will be submitted upon receipt. If the well does not experience communication within the time of approval, a sundry will be written to clarify that WPX did not need to emergency vent or flare the well.



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, GIS Designer II

E-mail Address mark.heil@wpxenergy.com

Date: 2/10/15 Telephone No. (505) 333-1806

OIL CONSERVATION DIVISION

Approved Until 3-18-15

By Charles...

Title SUPERVISOR DISTRICT #3

Date FEB 11 2015

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