

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 6/16/16, for the following described tank battery
(or LACT):

Name of Lease: CHACO 2308-06H #395H API-30-045-35553 Name of Pool: Nageezi Gallup

Location of Battery: Unit Letter H Section 6 Township 23N Range 8W

Number of wells producing into battery 2

B. Based upon oil production of 80 barrels per day, the estimated volume

of gas to be flared is 800 MCF/D; Value: \$1536 per day.

OIL CONS. DIV DIST. 3

C. Name and location of nearest gas gathering facility:

MAY 10 2016

Beeline, Sec 16, T23N, R08W

D. Distance _____ BUILT _____ Estimated cost of connection _____

EMERGENCY FLARE EXTENSION

E. WPX Energy requests authorization to flare the CHACO 2308-06H #395H if a potential cross flow event may occur as a result of a nearby Frac activity on W Lybrook UT #707H/708H/709H/747H/748H/749H. If a cross flow event on the well results in nitrogen content above Williams pipeline standards, flaring may begin as soon as 5/16/16 for 30 days, given approval. A gas sample will be collected upon the confirmation of the cross flow and sent to a third party for results of the gas analysis. 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 [Signature]

Printed Name

& Title: LACEY GRANILLO-PERMIT TECH III

E-mail Address: lacey.granillo@wpxenergy.com

Date: 5/9/16 Telephone No. (505) 333-1816

OIL CONSERVATION DIVISION

Approved Until 6-16-2016

By [Signature]

Title SUPERVISOR DISTRICT #3

Date MAY 16 2016

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

KC