District I 1625 N. French Dr., Hobbs, NM 88240 District II Bill 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

NFO Permit

Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

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, L	LC
whose address is: P.O. Box 640, Aztec, NM 87410,	
hereby requests an exception to Rule 19.15.18.12 until 1/14/17, 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 battery2	
B. Based upon oil production of <u>59</u> barrels per day, the estimated volume	
of gas to be flared is 305 MCF/D; Value: §5	UIL CONO.
C. Name and location of nearest gas gathering f	240
Williams at Turtle Mountain, Sec 9, T23N, R08W	
D. DistanceBUILTEstimated co	st of connection
E. This exception is requested for the following reasons: WPX Energy requests authorization to flare the CHACO 2308-03L #405H if a potential cross flow event may occur as a result of a nearby Frac activity on Logos #5. If a cross flow event on the well results in nitrogen content above Williams pipeline standards, flaring may begin as soon as 12/14/16 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 STATE OF THE STATE OF	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
Signature	By Charle XI
Printed Name & TitleLacey Granillo Permit TechIII	Title SUPERVISOR DISTRICT #3
E-mail Addresslacey.granillo@wpxenergy.com	Date DEC 1 4 2016

Date: 12/9/16

Telephone No. (505) 333-1806



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