

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 22 2016

hereby requests an exception to Rule 19.15.18.12 until 1/27/17 for the following described tank battery (or LACT):

Name of Lease: KWU # 771H API-30-045-35756 Name of Pool: BASIN MANCOS

Location of Battery: Unit Letter P Section 17 Township 23N Range 7W

Number of wells producing into battery 1

B. Based upon oil production of 430 barrels per day, the estimated volume of gas to be flared is 480 MCF/D; Value: \$1771 per day.

C. Name and location of nearest gas gathering facility:

Williams at Turtle Mountain, Sec 9, T23N, R08W

D. Distance Pending Estimated cost of connection Pending

EMERGENCY FLARE EXTENSION

E. WPX Energy requests authorization to flare this well for an additional 30 days. The nitrogen content is approximately 15.7% (see attached gas measurement report). (Date of expiration is 12/27/16) WPX continues to monitor the nitrogen content. The approval for gas pipeline is currently being permitted by the BLM FFO by a series of APD's. WPX is testing the commerciality of this well and respectfully requests additional time to further evaluate this well. WPX is continuing to explore options to eliminate flaring, the most recent has been to purchase the below combustors.

- Wellhead Combustion: Crimson Energy, Model CE600, High Capacity Combustor
- Tank Vapor Combustion: Cimarron Energy, 48" High Volume ECD

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 _____

Printed Name
& Title: LACEY GRANILLO- PERMIT TECH III

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

Date: 12/21/16 Telephone No. (505) 333-1816

OIL CONSERVATION DIVISION

Approved Until 1/22/17

By Brandon Paul

Title Deputy Oil & Gas Inspector,
District #3

Date 12/22/16

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

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OIL CONS. DIV DIST. 3

DEC 22 2016

2030 Afton Place
Farmington, NM 87401
(505) 325-6622

Analysis No: WP160456
Cust No: 85500-12675

Well/Lease Information

Customer Name: WPX ENERGY PRODUCTION, LLC
Well Name: KWU #771H
County/State: SAN JUAN NM
Location:
Field:
Formation: MANCOS
Cust. Str. No.: 62426323

Source: METER RUN
Pressure: 82 PSIG
Sample Temp: 98 DEG. F
Well Flowing: Y
Date Sampled: 12/20/2016
Sampled By: K. BEEBE
Foreman/Engr.: DILLAIN GAGE

Remarks: SEPARATOR

Analysis

| Component:: | Mole%: | **GPM: | *BTU: | *SP Gravity: |
|--------------|----------------|----------------|----------------|---------------|
| Nitrogen | 15.775 | 1.7440 | 0.00 | 0.1526 |
| CO2 | 0.339 | 0.0580 | 0.00 | 0.0052 |
| Methane | 53.688 | 9.1460 | 542.24 | 0.2974 |
| Ethane | 10.005 | 2.6890 | 177.06 | 0.1039 |
| Propane | 10.856 | 3.0050 | 273.15 | 0.1653 |
| Iso-Butane | 1.394 | 0.4580 | 45.33 | 0.0280 |
| N-Butane | 3.970 | 1.2580 | 129.51 | 0.0797 |
| I-Pentane | 0.987 | 0.3630 | 39.49 | 0.0246 |
| N-Pentane | 1.054 | 0.3840 | 42.25 | 0.0263 |
| Hexane Plus | 1.932 | 0.8660 | 101.84 | 0.0639 |
| Total | 100.000 | 19.9710 | 1350.88 | 0.9467 |

* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

**@ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z): 1.0051
BTU/CU.FT (DRY) CORRECTED FOR (1/Z): 1360.9
BTU/CU.FT (WET) CORRECTED FOR (1/Z): 1337.2
REAL SPECIFIC GRAVITY: 0.9512

GPM, BTU, and SPG calculations as shown above are based on current GPA factors.

DRY BTU @ 14.650: 1353.5
DRY BTU @ 14.696: 1357.8
DRY BTU @ 14.730: 1360.9
DRY BTU @ 15.025: 1388.2

CYLINDER #: RE#5
CYLINDER PRESSURE: 74 PSIG
DATE RUN: 12/20/16 3:04 PM
ANALYSIS RUN BY: DAWN BLASSINGAME