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

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, LLC whose address is: P.O. Box 640, Aztec, NM 87410, hereby requests an exception to Rule 19.15.18.12 until 4/12/17, 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 В. Based upon oil production of 79 barrels per day, the estimated volume OIL CONS. DIV DIST. 3 of gas to be flared is 119 MCF/D; Value: \$342 per day. MAR 0 7 201: C. Name and location of nearest gas gathering facility: Beeline, Sec 16, T23N, R08W Distance BUILT Estimated cost of connection D. **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 703H/704H/711H/713H/743H/744H. If a cross flow event on the well results in nitrogen content above Williams pipeline standards, flaring may begin as soon as 3/12/17 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. OIL CONSERVATION DIVISION **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Approved Until 4-12-17 Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature ERVISOR DISTRICT Printed Name Title & Title: LACEY GRANILLO- PERMIT TECH III E-mail Address: lacey.granillo@wpxenergy.com

Telephone No. (505) 333-1816

Date: 3/6/17

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