

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: Enduring Resources, LLC

NMOC D

whose address is: 332 Rd 3100 Aztec, NM 87410,

APR 20 2018

hereby requests an exception to Rule 19.15.18.12 until 5/27/18, for the following described tank battery (or LACT):

DISTRICT III

Name of Lease: STATE 2207 36D #193H API- 30-043-21308 Name of Pool: WC 22N7W36; GALLUP (O)

Location of Battery: Unit Letter D Section 36 Township 22N Range 7W

Number of wells producing into battery 1

B. Based upon oil production of 38 barrels per day, the estimated volume of gas to be flared is 40 MCF/D; Value: \$108 per day.

C. Name and location of nearest gas gathering facility:

Williams Trunk T Line, Sec 21, T22N, R07W

D. Distance Pending Estimated cost of connection Pending

E. This exception is requested for the following reasons: Flare Extension

Enduring Resources requests authorization to flare this well for an additional 30 days. Original expiration is 4/27/18. Enduring Resources recently closed a purchase transaction on March 28th, 2018 to acquire this well from WPX Energy Production, LLC. Enduring is actively getting up to speed on this formerly WPX Energy Production, LLC test well. Our team is working together to formulate the most effective and expedite path forward for this well.

- Enduring operations is working to decrease the amount of gas that is flared by increasing lease use gas.
- Enduring has a 98% efficient Combustor that Enduring leases on site- no visible flare.
- Enduring is beginning to evaluate the production trend.
- **Pipeline update:** The non Brack's Cactus area of this project is pending APD approval from BLM and is expected any day. Upon BLM APD approval this portion of the pipeline construction can begin. The Brack's cactus survey needed to be submitted to BLM for final pipeline ROW approval began in the field on April 16th, 2018 and is expected to take a week to complete the field work and 2 weeks for the final written report to be drafted and submitted to BLM for approval. Upon BLM approval and issuance of pipeline ROW construction activities can begin.

Date of first production/flare: 1st Delivered on September 1, 2017, 1st Drill Out on August 28, 2017.

Total flare to date (222 days): 8833 mcf

Total lease use: 9937 mcf

Total oil produced: 17.991 bbls

Total gas produced: 14.970 mmc/f

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 Specialist

E-mail Address lgranillo@enduringresources.com

Date: 4/19/18 Telephone No. (505) 636-9743

OIL CONSERVATION DIVISION

Approved Until 5-27-2018

By

Charlotte
SUPERVISOR DISTRICT #3

Title

Date 4-20-18

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

AV