District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 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

| 711 | (See Rule 19.15.18.12 NMAC | and Rule 19.15.7.37 NMAC) | LL 17.13.10.12 | | |
|--|---|--|--|--|--|
| A. | Applicant: Enduring Resources IV, LLC | 2 | | | |
| | whose address is: 200 Energy Court Farm | nington NM 87401 | | | |
| (or LA | hereby requests an exception to Rule 19.15.18 CT): | 3.12 until <u>5/25/19</u> , for the fo | llowing described tank battery | | |
| | Name of Lease: S Escavada Unit #353H API- | 30-043-21320 Name of Pool: | Rusty Gallup Oil Pool | | |
| | Location of Battery: Unit Letter F Secti | on <u>26</u> Township <u>22N</u> | Range7W | | |
| | Number of wells producing into battery2_ | | | | |
| B. | Based upon oil production of <u>650</u> barrels per o | day, the estimated volume | | | |
| | of gas to be flared is 1.1 MMCF/D; Value: \$ | 3 per day. | NMOCD | | |
| C. | Name and location of nearest gas gathering fa | cility: | APR 2 5 2019 | | |
| | Harvest Trunk T Line, Sec 21, T22N, R07V | <u>W</u> | ISTRICT III | | |
| D. | Distance Built Estimated cost of con | | 131KTO: | | |
| E. | This exception is requested for the following r | reasons: Continued Flare E | extension | | |
| | es IV, LLC requests authorization to continue to flare the stion date expires on 4/25/19. | S Escavada Unit #353H for an ac | lditional 30 days. | | |
| Enduring is in the production. | process of commencing clean out operations with N2 and | wishes to continue flaring while t | he well is worked over and returned to | | |
| | been collected and is attached. | | | | |
| | | | | | |
| OPERATOR I hereby certif | y that the rules and regulations of the Oil | OIL CONSERVATION DIV | | | |
| | Division have been complied with and that the | Approved Until 5/25 | 5/19 | | |
| information given above is true and complete to the best of my knowledge and belief. | | | | | |
| Signature By Branch Soll | | | | | |
| | | Title I + E Supe | rvisor | | |
| Printed Name & Title | Lacey Granillo, Permit Specialist | Date 4/25/19 | | | |
| E-mail Addres | sslgranillo@enduringresources.com | * Ensure gas needs | to be flared through e. The gas sample be sellable gas | | |
| Date: 4/24/19 | Telephone No. (505) 636-9743 | attached appears to | be sellable gas | | |

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

Diablo Analytical BTU Report GPA 2145-16 Analysis

Sample Information

| | Sample Information |
|-------------------------------|--|
| Sample Name | Enduring Resources: SEU #353 |
| Station Number | |
| Taken By | Alpine Analysis LLC (Agilent 490) Last Calibration 4-22-19 |
| Operator | Travis Tapp |
| Method Name/Type | StandardNatGas.met |
| Injection Date | 2019-04-23 16:30:03 |
| Report Date | 2019-04-23 16:34:02 |
| EZReporter Configuration File | default Standard Sample.cfgx |
| Source Data File | 2019-04-23 16-29-52 (GMT -06-00)SEU #353.dat |
| EZReporter Data File | Enduring Resources SEU #353-20190423-163402.ezrx |
| Data Source | Agilent EZChrom Connector |

Component Results

| Component Name | Ret. Time | Raw Amount | Norm% | Gross HV (Dry) (BTU / Ideal cu.ft.) | Net HV (Dry) (BTU / Ideal cu.ft.) | GPM (Dry) (Gal. / 1000 cu.ft.) |
|-------------------|--------------|---------------|----------|--|--------------------------------------|-----------------------------------|
| Nitrogen | 0.358 | 4.2646 | 4.3866 | 0.0 | 0.0 | 0.484 |
| Methane | 0.366 | 71.2594 | 73.2984 | 742.0 | 668.1 | 12.471 |
| Carbon Dioxide | 0.445 | 0.5078 | 0.5223 | 0.0 | 0.0 | 0.089 |
| Ethane | 0.512 | 9.3157 | 9.5823 | 170.0 | 155.5 | 2.572 |
| Hydrogen Sulfide | 0.778 | 0.0000 | 0.0000 | 0.0 | 0.0 | 0.000 |
| Propane | 0.529 | 7.7292 | 7.9504 | 200.5 | 184.5 | 2.198 |
| i-Butane | 0.580 | 0.9225 | 0.9489 | 30.9 | 28.5 | 0.312 |
| n-Butane | 0.614 | 2.0203 | 2.0781 | 68.0 | 62.7 | 0.657 |
| i-Pentane | 0.722 | 0.4159 | 0.4278 | 17.2 | 15.9 | 0.157 |
| n-Pentane | 0.767 | 0.3641 | 0.3745 | 15.0 | 13.9 | 0.136 |
| Hexanes Plus | 0.000 | 0.4187 | 0.4307 | 22.1 | 20.5 | 0.188 |
| Water | 0.000 | 0.0000 | 0.0000 | 0.0 | 0.0 | 0.000 |
| Total: | | 97.2182 | 100.0000 | 1265.7 | 1149.6 | 19.264 |

Results Summary

| Result | Dry | Sat. (Base) |
|--|----------|-------------|
| Total Raw Mole% (Dry) | 97.2182 | |
| Total Normalzed Mole% | 100.0000 | 100.0000 |
| Pressure Base (psia) | 14.730 | |
| Temperature Base (Deg. F) | 60.00 | |
| Water Mole% | - | 1.7407 |
| Gross Heating Value (BTU / Ideal cu.ft.) | 1265.7 | 1243.7 |
| Gross Heating Value (BTU / Real cu.ft.) | 1270.6 | 1249.0 |
| Net Heating Value (BTU / Ideal cu.ft.) | 1149.6 | 1129.6 |
| Relative Density (G), Real | 0.7741 | 0.7718 |
| Compressibility (Z) Factor | 0.9962 | 0.9958 |
| Total GPM | 19.264 | 19.037 |