

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)

HOBBES OCD
JUN 26 2012

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)

30-025-40375

A. Applicant COG Operating LLC

whose address is 2208 W. Main Street, Artesia, NM 88210

hereby requests an exception to Rule 19.15.18.12 for 60 days or until

_____, Yr _____, for the following described tank battery (or LACT):

Name of Lease Lightning P-38 State #3H Name of Pool Berry; Bone Spring, North

Location of Battery: Unit Letter I Section 1 Township 21S Range 33E

Number of wells producing into battery 1

B. Based upon oil production of 400 barrels per day, the estimated * volume

of gas to be flared is 500 MCFD; Value \$2500.00 (for gas) per day.

C. Name and location of nearest gas gathering facility:

DCP Pipeline

D. Distance 1.0 Mile Estimated cost of connection \$50,000

E. This exception is requested for the following reasons: Constructing pipeline

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 Stormi Davis

Printed Name & Title Stormi Davis, Regulatory Analyst

E-mail Address sdavis@concho.com

Date 6/11/2012 Telephone No. 575-748-6946

OIL CONSERVATION DIVISION

Approved Until 9-26-2012

By [Signature]

Title STAFF MGR

Date 6-26-2012

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

JUN 26 2012