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 Fc, 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) Applicant <u>LRE Operating, LLC</u> A. whose address is 1111 Bagby Street Suite 4600 Houston, TX 77002 hereby requests an exception to Rule 19.15.18.12 for ______90 _______days or until . Yr _____, for the following described tank battery (or LACT): Name of Lease AID 24 State #9 Name of Pool Empire; Glorieta-Yeso Location of Battery: Unit Letter N Section 24 Township 17S Range 28E Number of wells producing into battery 4 Based upon oil production of N/A barrels per day, the estimated * volume B. of gas to be flared is 515 MCF; Value N/A per day. C. Name and location of nearest gas gathering facility: Frontier Field Services D. Distance N/A Estimated cost of connection N/A This exception is requested for the following reasons: E. Requesting to flare due to Frontier's inability to take gas. nct **3 0** 2012 NMOCD ARTESIA **OPERATOR** OIL CONSERVATION DIVISION I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signature 🔏 Dewist Printed Name Title & Title Michael Barrett / Production Supervisor Date E-mail Address mbarrett@limerockresources.com Date 10/29/2012 Telephone No. 575-623-8424

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