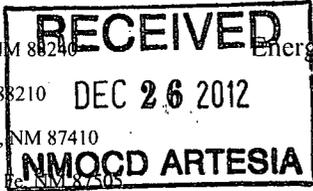


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



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 OXY USA Inc.,
 whose address is P.O. Box 50250 Midland, TX 79710,
 hereby requests an exception to Rule 19.15.18.12 for 120 days or until
April 15, Yr 2013, for the following described tank battery (or LACT):
 Name of Lease Peaches 19 Federal #114 Name of Pool Cottonwood Draw Bone Springs
APINo. 30-015-40250
 Location of Battery: Unit Letter B Section 19 Township 25S Range 27E
 Number of wells producing into battery 1
- B. Based upon oil production of 233 barrels per day, the estimated * volume
 of gas to be flared is 262 MCF; Value \$830 per day.
- C. Name and location of nearest gas gathering facility:
Enterprise Lat: 32.122352 Long: 104.245895
- D. Distance 1.37 miles Estimated cost of connection \$230,000
- E. This exception is requested for the following reasons:
See Attached

<p>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.</p> <p>Signature <u>[Signature]</u></p> <p>Printed Name & Title <u>David Stewart - Reg. Adv.</u></p> <p>E-mail Address <u>david_stewart@oxy.com</u></p> <p>Date <u>12/14/12</u> Telephone No. <u>432-685-5717</u></p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved Until <u>April 30th 2013</u></p> <p>By <u>[Signature]</u></p> <p>Title <u>Dist # Supervisor</u></p> <p>Date <u>01/03/2013</u></p>
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* Gas-Oil ratio test may be required to verify estimated gas volume.

Attachment C-129
Peaches 19 Federal #1H
API No. 42-015-40250
Sec 19 T25S R27E, Eddy Cty, NM

The Peaches 19 Federal 1H planned to sell to Company A at a line pressure of 100 to 50 psi. The scope of sales point changed due that Company A has limited capacity. Therefore went to Company B which currently does not have sales capacity limitations but it has higher sales line pressure of an estimated pressure of 370 psi. For the high pressure sales point a compressor has to be installed which requires 3-4 months permit process. This leaves Peaches 19 Federal 1H with limited short term production options.