| Office | priate District | State of New | | | Form C- | |
|--|---|--|---|---|--|--|
| <u>District 1</u> – (575) 393-6161 1625 N. French Dr., Hobb | | Energy, Minerals and | Natural Resources | WELL API NO. | Revised August 1, | 2011 |
| District II - (575) 748-128 | 33 | OIL CONSERVAT | ION DIVISION | | | |
| <u>District III</u> - (505) 334-61 | 5. This be, Artesia, The 60210 | | | 5. Indicate Type of STATE | of Lease ✓ FEE □ | |
| 1000 Rio Brazos Rd., Azte District IV – (505) 476-34 | | Santa Fe, NI | | 6. State Oil & Ga | | |
| 1220 S. St. Francis Dr., Sa | | | | | 5 Deuse 1 (6. | |
| | | AND REPORTS ON WE | | 7. Lease Name or | Unit Agreement Nar | ne |
| | | O DRILL OR TO DEEPEN C NFOR PERMIT" (FORM C-1 | | D State 74 Battery | | |
| PROPOSALS.) | | | | 8. Well Number | · · · · · · · · · · · · · · · · · · · | |
| 1. Type of Well: Oil Well Gas Well Other 2. Name of Operator | | | | 9. OGRID Number | | |
| Apache Corporation | | | | 873 | | |
| 3. Address of Operat 303 Veterans Airpark | | idland TX 70705 | | 10. Pool name or Yeso | Wildcat | |
| 4. Well Location | Lane, Suite 5000 Mil | | | 1650 | | |
| Unit Letter | к <u>:</u> | feet from the | line and | feet from | n the | line |
| Section 35 | | Township 17S | Range 28E | NMPM | County Eddy | |
| A CONTRACTOR OF | 11.) | Elevation (Show whethe | r DR, RKB, RT, GR, etc. | | | |
| | and the second party | | | | an an a training of the second se | a la constante de la constante |
| 1 | 12. Check Appro | priate Box to Indica | te Nature of Notice. | Report or Other | Data | |
| | | | | | | |
| NO I PERFORM REMEDI | | IION TO: IG AND ABANDON | | | PORT OF: ALTERING CASING | |
| TEMPORARILY ABA | | | COMMENCE DR | | P AND A | |
| PULL OR ALTER CA | | | CASING/CEMEN | | | |
| DOWNHOLE COMM | | . — | | | | |
| OTHER: Flare Gas | | | OTHER: | | | |
| 13. Describe prop | posed or completed of | | • • • • • • • | | | |
| | | operations: (Crearly stat | e all-pertinent details, ar | d give pertinent date | es, including-estimate | d date |
| | y proposed work). S npletion or recomple | SEE RULE 19.15.7.14 N | | | | d date |
| proposed con | npletion or recomple | SEE RULE 19.15.7.14 N | MAC. For Multiple Co | mpletions: Attach w | ellbore diagram of | d date |
| proposed con Apache is requesting | npletion or recomple g permission to temp | SEE RULE 19.15.7.14 N tion. orarily flare the D State | MAC. For Multiple Co | mpletions: Attach w | ellbore diagram of | d date |
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i District 1 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

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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)

| А. | Applicant Apache Corporation | | | , | | | | | |
|-------------------|---|------------------------------|---|------------|--|--|--|--|--|
| | whose address is 1945 Bluestem Road, Artesia, NM 88210 | | | | | | | | |
| | hereby requests an exception to Rule 19.15.13 | 8.12 for | 2 for 90 | | | | | | |
| | , Yr, for the following described tank battery (or LACT): Name of Lease D State 74 Battery Name of Pool Yeso K 35 17S 28F | | | | | | | | |
| | Location of Battery: Unit Letter K | Name of Pool _ SectionTov | vnship 17S Range | 28E | | | | | |
| | Number of wells producing into battery | v. | 18 | | | | | | |
| В. | Based upon oil production of | barrels | | | | | | | |
| | of gas to be flared is1.2M | MCF; Value | | per day. | | | | | |
| С | Name and location of nearest gas gathering fa | | a a na | . Sano a | | | | | |
| D. | DistanceEstimated cost of connection | | | | | | | | |
| E. | This exception is requested for the following | reasons: This is fo | or an extension to th | e | | | | | |
| | previous one that will expire October 31, 2014. NM OIL CONSERVA | | | | | | | | |
| | | | ARTESI | A DISTRICT | | | | | |
| | | | OCT | 1 6 2014 | | | | | |
| | | | REC | EIVED | | | | | |
| ision have t | λ that the rules and regulations of the Oil Conservation been complied with and that the information given above plete to the best of my knowledge and belief. | OIL CONSERVA | | 15 | | | | | |
| nature | | By AL | bole | | | | | | |
| nted Nam Fitle | Paige Futrell - Regulatory Analyst I | Title D155 | PSylw | SR | | | | | |
| nail Addr | Paige Futrell@apachecorp.com | Date 10 20 | 7014 | | | | | | |
| te 10/13 | 3/2014 Telephone No. (432) 818-1893 | | | | | | | | |
| Gas-Oil ra | tio test may be required to verify estimated gas | volume. | | | | | | | |

NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 811 SOUTH FIRST STREET ARTESIA, NM 88210 (575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

- 1. Venting gas is absolutely not allowed.
- 2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
- 3. Flared volumes of gas are to be metered & reported.
- 4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
- 5. Flares WILL NOT be left unattended.
- 6. No flaring operations to be conducted during red-flag days. <u>http://www.gacc.nifc.gov/swcc</u> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
- 7. Follow safe practices for flaring guidelines.
- 8. Permit may be rescinded at any time by NMOCD.
- **9.** If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
- 10. <u>Flaring of gas is prohibited</u>. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
- 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.

- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here RD 10/28/2014

State of New Mexico Energy, Minerals and Natural Resources Department

Jami Balley, Division Director

Oil Conservation Division

Susana Martinez Governor

David Martin Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary

March 7, 2014

FOR IMMEDIATE RELEASE Contact: Jim Winchester (505)231-8800 E-Mail: jim.winchester@state.nm.us

Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 362 fires burned 6,879 acres on state and private land in calendar year 2013.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures are expected to be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

This means that as a general rule of thumb, the area around staffed flaring facilities should be mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris should be cleared in the area for a distance of at least one and one half times the height of the stack.

If flaring is to take place at an unstaffed facility, then the mowed area around the flare stack should be increased to three times the height of the stack. On "red flag" days local fire departments should be notified prior to the flaring operations.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to <u>www.nmforestry.com</u> for updates or to get information on how contact your local State Forestry District office.

For the latest fire weather information please visit USDA Forest Service website: <u>http://gacc.nifc.gov/swcc/predictive/outlooks/monthly/swa_monthly.pdf</u>

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

> 1220 South St. Francis Drive • Santa Fe, New Mexico 87505 Phone (505) 476-3460 • Fax (505) 476-3462 • www.emnrd.state.nm.us/ocd

