

OCT 20 2016

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 ResourcesOil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Form C-129
Revised August 1, 2011Submit one copy to appropriate
District OfficeNFO 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 Apache Corporation
 whose address is 1945 Bluestem Road, Artesia, NM 88210
 hereby requests an exception to Rule 19.15.18.12 for 90 days or until
October 31, Yr 2016, for the following described tank battery (or LACT):
 Name of Lease Palmillo 14 State Name of Pool Bone Springs
 Location of Battery: Unit Letter _____ Section 14 Township 19S Range 28E
 Number of wells producing into battery 2 (30-015-39027)
- B. Based upon oil production of 1000 barrels per day, the estimated * volume
 of gas to be flared is 1000 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
DGP Artesia
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: This is for an extension on the
previous one that will expire October 31, 2016.

OPERATORI 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 _____

Printed Name

Isabel Hudson - Regulatory Analyst

& Title

E-mail Address

isabel.hudson@apachecorp.com

Date

10/18/2016

Telephone No.

(432) 818-1142

OIL CONSERVATION DIVISION

Approved Until

Jan. 31, 2017

By

Amalia Bustamante

Title

Business Op. Sp.

Date

10/20/16

* Please see attached C.O.A.'s

* Gas-Oil ratio 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.
<http://www.gacc.nifc.gov/swcc> (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. **Flaring of gas is prohibited.** 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

JB

DATE: *10/20/16*

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
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-103
Revised August 1, 2011

WELL API NO.	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Palmillo 14 State Battery	
8. Well Number	
9. OGRID Number 873	
10. Pool name or Wildcat Palmillo; Bone Spring, SW (96413)	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Apache Corporation

3. Address of Operator
303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705

4. Well Location
Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line
Section 14 Township 19S Range 28E NMPM County Eddy

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Flare Gas <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache is requesting an extension on permission to flare the Palmillo 14 State wells listed below. Gas will be measured prior to flaring. Wells included in the above battery are as follows:

30-015-39027 Palmillo 14 State #001H
30-015-42543 Palmillo 14 State #004H

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Isabel Hudson TITLE Regulatory Analyst DATE 10/18/2016

Type or print name Isabel Hudson E-mail address: isabel.hudson@apachecorp.com PHONE: (432) 818-1142

For State Use Only

APPROVED BY: Bustamante TITLE _____ DATE 10/20/16

Conditions of Approval (if any):