

NM OIL CONSERVATION

ARTESIA DISTRICT

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

FEB 08 2018

Form C-129
Revised August 1, 2011

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

RECEIVED

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 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
MAY 28, Yr 2018, for the following described tank battery (or LACT):
Name of Lease AB State 647 Battery Name of Pool Yeso
Location of Battery: Unit Letter N Section 32 Township 17S Range 28E
Number of wells producing into battery 16
- B. Based upon oil production of 250 barrels per day, the estimated * volume
of gas to be flared is 780 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
Frontier Empire Abo Unit
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: Frontier Empire Abo Unit Gas Plant
cannot take our gas at this new battery. This is an extension to the permit that
expires 02/28/18

30-015-34927

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 _____

Printed Name & Title Emily Follis -Regulatory Analyst

E-mail Address emily.follis@apachecorp.com

Date 2/07/18 Telephone No. (432) 818-1801

OIL CONSERVATION DIVISION

Approved Until May 28, 2018

By _____

Title Business Operations Specialist-O

Date _____

**PLEASE REFER TO ATTACHED
CONDITIONS OF APPROVAL**

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

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

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.)		WELL API NO.
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Apache Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705		7. Lease Name or Unit Agreement Name AB State 647 Battery
4. Well Location Unit Letter N : _____ feet from the _____ line and _____ feet from the _____ line Section 32 Township 17S Range 28E NMPM County Eddy		8. Well Number 873
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 873
		10. Pool name or Wildcat Yeso

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 Permit <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 permission to flare gas from the AB State #647 Battery. Intermittent flaring will occur due to Frontier's inability to take our gas at this battery. Gas will be measured prior to flaring. Wells included in the above battery are as follows: 90 days 02/28/18 - 05/28/18

30-015-39927	AB STATE 647 #1	30-015-41493	AB STATE 647 #9
30-015-41500	AB STATE 647 #2	30-015-41494	AB STATE 647 #10
30-015-41501	AB STATE 647 #3	30-015-41495	AB STATE 647 #11
30-015-41505	AB STATE 647 #4	30-015-41496	AB STATE 647 #12
30-015-41502	AB STATE 647 #5	30-015-41497	AB STATE 647 #13
30-015-41503	AB STATE 647 #6	30-015-41498	AB STATE 647 #14
30-015-41491	AB STATE 647 #7	30-015-41504	AB STATE 647 #15
30-015-41492	AB STATE 647 #8	30-015-41511	AB STATE 647 #16

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 Emily Follis TITLE Regulatory Analyst DATE 02/07/18

Type or print name Emily Follis E-mail address: emily.follis@apachecorp.com PHONE: (432) 818-1801

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

**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.

initials



DATE: 2/19/2018

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 14, 2017

FOR IMMEDIATE RELEASE

Contact: Beth Wojahn (505) 476-3226 E-Mail: Beth.Wojahn@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 622 fires burned 127,221 acres on state and private land in calendar year 2016.

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 www.nmforestry.com 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:

http://gacc.nifc.gov/swcc/predictive/outlooks/monthly/swa_monthly.pdf

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



OIL CONSERVATION DIVISION
NOTICE TO OIL AND GAS OPERATORS

Vented & Flared Volumes Reporting Communication

On October 19, 2015, the Oil Conservation Division issued a Notice to Operators that implemented the "Non-Transported Disposition" Code "F" for flared gas and to report vented volumes utilizing the existing "V" code for any vented gas. The change became effective for November, 2015 production month with reporting date of January 15, 2016.

The Gas Capture Committee's continuing evaluation of volumes being reported determined that not all Operators are following the requirement to report flared and vented volumes. Out of 603 well Operators active in the state, only 51 Operators are reporting volumes using the "V" and "F" code.

It is very important that all Operators in New Mexico report flared and vented volumes since part of the evaluation will help determine any policy or requirements setting goals for reduction of flared gas.

We urge all companies to work with their operations and production accounting groups to ensure proper production reporting.

DAVID R. CATANACH, Director

March 8, 2017

Instructions on filing Form C-115

http://www.emnrd.state.nm.us/OCD/documents/C115_FullInstructions10.2017.pdf

RULES

19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible based on periodic tests.

19.15.18.12 CASINGHEAD GAS:

F. Pending connection of a well to a gas-gathering facility, or when a well has been excepted from the provisions of Subsection A of 19.15.18.12 NMAC, the operator shall burn all gas produced and not used and report the estimated volume on form C-115.

Thank you for your assistance in this matter. If you have any questions, please contact the appropriate OCD District Office.