

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 October 15, 2009
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 1017 W. Stanolind Rd. Hobbs NM 88242,
hereby requests an exception to Rule 19.15.18.12 for 7 days or until
June 16, Yr 2011, for the following described tank battery (or LACT):
Name of Lease Lost Tank 3-1 Name of Pool Lost Tank Delaware
Location of Battery: Unit Letter D Section 3 Township 22S Range 31E
Number of wells producing into battery 5
- B. Based upon oil production of 120 barrels per day, the estimated * volume
of gas to be flared is 150 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
Hat Mesa Booster DCP
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: The natural gas purchaser for this facility DCP is shutting in their Hat Mesa Booster Station to install new compression for their facility. During this time Oxy is going to be upsizing and upgrading its gas sales line to the Hat Mesa Booster to accommodate current and previous increase in production due to recent drilling activity. In an attempt to continue producing this facility we wish to flare the gas, until the booster can be brought back on. Oxy realizes there is currently a high fire danger, and to mitigate this hazard, Oxy will clear a 75' area around all temporary flares, as well as have the sites manned during evening hours. Oxy will also have a water truck on station 24/7 during the flare. During the day time hours there are several construction crews working in the area that will be able to observe the flare site in case of an uncontrolled fire.

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 Chancey Summers HES Specialist

E-mail Address chancey_summers@oxy.com

OIL CONSERVATION DIVISION

Approved Until June 20/2011

By [Signature]

Title District Supervisor

Date Oct 10/2011

015-29638