

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

NM OIL CONSERVATION New Mexico
Energy, Minerals and Natural Resources
ARTESIA DISTRICT
Oil Conservation Division
200 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

RECEIVED

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 Murchison Oil & Gas, Inc.,

whose address is 7250 Dallas Parkway, Ste. 1400 Plano, TX 75024,

hereby requests an exception to Rule 19.15.18.12 for approximately 30 days from May 1st to 30th,
2015 for the following described tank battery (or LACT):

Name of Lease Vandiver Fee 1H (30-015-40589) Name of Pool Empire; Glorieta-Yeso

Location of Battery: Unit Letter E Section 17 Township 18S Range 26E

Number of wells producing into battery 1

B. Based upon oil production of 50 barrels per day, the estimated * volume
of gas to be flared is 100 MCF; Value \$300 per day.

C. Name and location of nearest gas gathering facility:

Agave Dagger Draw System

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Force Majeure imposed by Agave Energy due to
plant related issues at Oxy's Indian Basin Gas Plant in Eddy County.

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 [Signature]

Printed Name
& Title Gary Cooper, Vice President Operations

Email Address rcooper@jdmii.com

Date 06/12/2015 Telephone No. 972-931-0700

OIL CONSERVATION DIVISION

Approved Until _____

By Accepted for record
NMOCD

Title _____

Date _____

Received After Envt

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