

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. Francois Dr., Santa Fe, NM 87505

HOBBS OGD

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)

RECEIVED

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 Caza Operating, LLC
whose address is 200 N. Loraline, Suite 1550, Midland, Texas 79701
hereby requests an exception to Rule 19.15.18.12 for 30 -025-410021 days or until
November 30th, Yr 2012, for the following described tank battery (or LACT):
Name of Lease Caza Ridge 14 State # 3H Name of Pool Antelope Ridge Bone Spring West 2209
Location of Battery: Unit Letter O Section 14 Township 23 S Range 34E
Number of wells producing into battery 1
- B. Based upon oil production of 1000* barrels per day, the estimated * volume
of gas to be flared is 500 MCF; Value \$1575 per day.
- C. Name and location of nearest gas gathering facility:
SUG- Sec 23, T-23-S, R-34-E
- D. Distance 3000 ft Estimated cost of connection \$50,000
- E. This exception is requested for the following reasons: SUG contract is signed and temp gas sales
will be set up prior to Nov 30th 2012. This Request is only in case SUG has a delay in construction
while we are testing the well. Gas plant is in section 15.

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 Richard L. Wright

Printed Name
& Title Richard L. Wright

E-mail Address rwright@cazapetro.com

Date 10-31-2012 Telephone No. _____

OIL CONSERVATION DIVISION

Approved Until 12-5-2012

By [Signature]

Title Director

Date 11-1-2012

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