| District III<br>1000 Rio Brazos Re<br>District IV<br>1220 S. St. Francis  | HOBBS OCD Energy Mine<br>esia, NM 88210<br>Dad, Aztec, NM 874 <b>JAN 172014</b><br>Dr., Santa Fe, NM 87505<br>CPLICATION FOR EXCEPTIC   | nservation Division<br>outh St. Francis Dr.<br>ta Fe, NM 87505<br>NFO Permit No. | Form C-129<br>Revised August 1, 2011<br>Submit one copy to appropriate<br>District Office<br>(For Division Use Only)<br>LE 19.15.18.12 |
|---|---|--|--|
| Α.  | Applicant <u>COG Production LLC</u> ,<br>whose address is <u>2208 W. Main Street, Artesia, NM 88210</u> ,   |  |  |
| hereby requests an exception to Rule 19.15.18.12 for <u>60</u> days or until<br><b>36-025-41065</b><br>Name of Lease <u>Salvador Fee #2H</u> Name of Pool <u>Red Hills; Bone Spring, North</u><br>Location of Battery: Unit Letter <u>0</u> Section <u>10</u> Township <u>24S</u> Range <u>34E</u><br>Number of wells producing into battery <u>1</u> |   |  |  |
| В.<br>С.  | Based upon oil production of <u>100</u> barrels per day, the estimated * volume of gas to be flared is <u>100</u> MCFD; Value <u>\$500.00 (for gas)</u> per day. Name and location of nearest gas gathering facility: |  |  |
| С.  | Agave Pipeline  |  |  |
| D.<br>E.  | Distance 2.5 miles Estimated cost of connection \$1,000,000   This exception is requested for the following reasons: Waiting on pipeline connection.  |  |  |
|   |   |  |  |
| Division have been is true and complex Signature  | ent the rules and regulations of the Oil Conservation<br>en complied with and that the information given about the best of my knowledge and belief.   | Approved Until   | VISION<br>JZO14<br>MAROWN  |
| E-mail Address_sdavis@concho.com Date 1/22/2014   |   |  |  |

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

Telephone No. 575-748-6946

1/15/14

Date