

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  
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)

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**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)

HOBBS OGD

A. Applicant Murchison Oil & Gas, Inc. JUN 16 2014

whose address is 1100 Mira Vista Blvd., Plano, TX 75093 RECEIVED

hereby requests an exception to Rule 19.15.18.12 for approximately 45 days or until \_\_\_\_\_  
\_\_\_\_\_, Yr \_\_\_\_\_, for the following described tank battery (or LACT):

Name of Lease Jackson Unit 11H (30-025-41122) Name of Pool Triple X; Bone Spring, West

Location of Battery: Unit Letter B Section 16 Township 24S Range 33E

Number of wells producing into battery 1

B. Based upon oil production of 150 barrels per day, the estimated \* volume  
of gas to be flared is 180 MCF; Value \$720 per day.

C. Name and location of nearest gas gathering facility:

Frac Cat Compressor Station, Lea County, NM

D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_

E. This exception is requested for the following reasons: Curtailment by Agave due to compressor fire.

Well shut in at this time may damage formation which will reduce future production.

**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 Michael S. Daugherty

Printed Name  
& Title Michael S. Daugherty, EVP & COO

Email Address mdaugherty@jdmii.com

Date 06/12/2014 Telephone No. 972-931-0700

**OIL CONSERVATION DIVISION**

Approved Until 7/31/2014

By Mailey Brown

Title COMPLIANCE OFFICER

Date 6/16/2014

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