

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)

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 CHEVRON U.S.A. INC.,
whose address is 15 SMITH ROAD, MIDLAND, TEXAS 79705,
hereby requests an exception to Rule 19.15.18.12 for 120 ⁹⁰ days or until
_____, Yr _____ for the following described tank battery (or LACT):
Name of Lease State E 001 (30-025-21258) Name of Pool Eumont; Yates 7 Rivers Queen (oil)
Location of Battery: Unit Letter D Section 20 Township 20S Range 36E
Number of wells producing into battery 2
- B. Based upon oil production of 16 barrels per day, the estimated * volume
of gas to be flared is 100 MCF; Value \$280 per day.
- C. Name and location of nearest gas gathering facility:
CURRENTLY CONNECTED TO GAS GATHERING; 3RD PARTY HAS BEEN DOWN.
Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: Facility shut-in due to 3rd party downtime (DCP) with cessation of production implications. Expect to flare long enough to produce payable quantities, then shut down until next COP date approaches; anticipate flaring for 1-2 days every (60) days for 120 days, results in flaring <5% of the time during the 120 days period. During this period of time, operator will work with 3rd party to re-establish pipeline gas takeaway

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 Denise Pinkerton

Printed Name
& Title DENISE PINKERTON REGULATORY SPECIALIST

E-mail

Address leakejd@chevron.com

Date 02/03/2016 Telephone No. 432-687-7375

OIL CONSERVATION DIVISION

Approved Until 5/3/2016

By Markus Brown

Title _____

Date 2/3/2016

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

FEB 04 2016

NEW MEXICO OIL CONSERVATION DIVISION

**DISTRICT I OFFICE
1625 N. FRENCH DRIVE
HOBBS, NM 88240
(575)393-6161**

**DISTRICT 2 OFFICE
811 SOUTH FIRST STREET
ARTESIA, NM 88210
(575)748-1283**

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely **not allowed**.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days. <http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
10. **Flaring of gas is prohibited.** The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
11. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.
12. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
13. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
14. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



March 9, 2015

FOR IMMEDIATE RELEASE

Contact: Larry Behrens (505) 827-0314 E-Mail: Larry.Behrens2@state.nm.us

Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 349 fires burned 11,722 acres on state and private land in calendar year 2014.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

This means that as a general rule of thumb, the area around staffed flaring facilities should be mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris should be cleared in the area for a distance of at least one and one half times the height of the stack.

If flaring is to take place at an unstaffed facility, then the mowed area around the flare stack should be increased to three times the height of the stack. On "red flag" days local fire departments should be notified prior to the flaring operations.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to www.nmforestry.com for updates or to get information on how to contact your local State Forestry District office.

For the latest fire weather information please visit USDA Forest Service website:

http://gacc.nifc.gov/swcc/predictive/outlooks/monthly/swa_monthly.pdf

***The Energy, Minerals and Natural Resources Department provides resource protection and
renewable energy resource development services to the public and other state agencies.***

RULES

19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

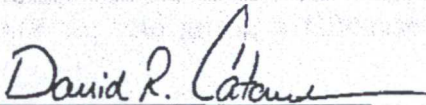
A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.

19.15.18.12 CASINGHEAD GAS:

F. Pending connection of a well to a gas-gathering facility, or when a well has been excepted from the provisions of Subsection A of 19.15.18.12 NMAC, the operator shall burn all gas produced and not used, and report the estimated volume on form C-115.

Thank you for your assistance in this matter. If you have any questions please contact the appropriate OCD District Office.

Sincerely,



David R. Catanach
Director, Oil Conservation Division