

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)

HOBBS OCD

MAR 21 2016

RECEIVED

- A. Applicant LINN Operating, Inc.
whose address is 600 Travis Street, Suite 5100, Houston, TX 77002
hereby requests an exception to Rule 19.15.18.12 for 60 days or until
May 16, Yr 2016, for the following described tank battery (or LACT):
Name of Lease: CMU A Battery Name of Pool: Maljamar; Grayburg-San Andres
Location of Battery: Unit Letter O Section 18 Township 17S Range 33E
Number of wells producing into battery: 29 (See Attachment)
- B. Based upon oil production of 67 barrels per day, the estimated * volume
of gas to be flared is 40 MCF; Value \$74.72 per day.
- C. Name and location of nearest gas gathering facility:
DCP sales point on lease
- D. Distance 0 Estimated cost of connection: No other options
- E. This exception is requested for the following reasons:
DCP line leak.

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 Mindy Kotesky
Printed Name Mindy Kotesky
& Title Regulatory Specialist I
E-mail mkotesky@linnenergy.com

Date 03/17/2016 Telephone No. 281-840-4208

OIL CONSERVATION DIVISION

Approved Until May 16, 2016

By Mary Brown

Title _____

Date 3/21/2016

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

MAR 21 2016

CMU A BATTERY

API	Well Name	Well Number
30-025-31981	CAPROCK MALJAMAR UNIT	#128
30-025-32920	CAPROCK MALJAMAR UNIT	#129
30-025-32454	CAPROCK MALJAMAR UNIT	#130
30-025-32455	CAPROCK MALJAMAR UNIT	#131
30-025-32921	CAPROCK MALJAMAR UNIT	#132
30-025-32922	CAPROCK MALJAMAR UNIT	#139
30-025-32923	CAPROCK MALJAMAR UNIT	#140
30-025-32838	CAPROCK MALJAMAR UNIT	#141
30-025-32839	CAPROCK MALJAMAR UNIT	#142
30-025-32924	CAPROCK MALJAMAR UNIT	#143
30-025-32925	CAPROCK MALJAMAR UNIT	#149
30-025-24296	CAPROCK MALJAMAR UNIT	#150
30-025-32926	CAPROCK MALJAMAR UNIT	#151
30-025-32042	CAPROCK MALJAMAR UNIT	#152
30-025-32422	CAPROCK MALJAMAR UNIT	#153
30-025-32043	CAPROCK MALJAMAR UNIT	#166
30-025-32424	CAPROCK MALJAMAR UNIT	#167
30-025-24446	CAPROCK MALJAMAR UNIT	#179
30-025-32423	CAPROCK MALJAMAR UNIT	#180
30-025-32044	CAPROCK MALJAMAR UNIT	#181
30-025-33266	CAPROCK MALJAMAR UNIT	#182
30-025-32550	CAPROCK MALJAMAR UNIT	#193
30-025-32840	CAPROCK MALJAMAR UNIT	#194
30-025-32941	CAPROCK MALJAMAR UNIT	#196
30-025-33271	CAPROCK MALJAMAR UNIT	#211
30-025-34225	CAPROCK MALJAMAR UNIT	#401
30-025-39124	CAPROCK MALJAMAR UNIT	#500
30-025-39125	CAPROCK MALJAMAR UNIT	#501
30-025-39127	CAPROCK MALJAMAR UNIT	#506

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 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.

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martínez
Governor

David Marín
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



October 19, 2015

NOTICE TO OPERATORS

The Oil Conservation Division ("OCD") has been tasked to study flaring and develop a gas capture plan by the end of the year with the ultimate goal to reduce natural gas emissions.

Current OCD reporting has no specific method to differentiate flared and vented volumes reported on C-115 reports. This prevents the OCD from having quantifiable flaring data per Rule 19.15.18.12.F NMAC.

Therefore, to collect flaring volumes and differentiate actual vented volumes going forward, NMOCD will implement a new "Non-Transported Disposition" Code (for gas) to be reported on the C-115 reports. The new code will be "F" for Flared. The new code "F" is to be used to report the volume of gas that is flared on a well basis, or total volume if flared at a common battery or gathering system and reported under one point of disposition. Operators must report vented and flared volumes separately to their respective "Non Transported Disposition" code ("V" for vented and "F" for flared).

The change will become effective for the November 2015 production month with reporting due by January 15, 2016.

The NMOCD will be conducting operator outreach training sessions in the Southeast and Northwest to provide information and answer questions regarding the process.

Meeting notices will be posted on NMOCD website at:
<http://www.emnrd.state.nm.us/OCD/announcements.html>

The C-115 instructions are available on NMOCD website at:
http://www.emnrd.state.nm.us/OCD/documents/eC115_FullInstructions.pdf