District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR EXCEP	Minerals and Natural Resources I Conservation Division 20 South St. Francis Dr. Santa Fe, NM 87505 NFO Permit	
A. Applicant <u>BC Operating, Inc.</u> whose address is <u>P.O. Box 50820</u> ,	Midland, TX 79710	,
hereby requests an exception to Rule	19.15.18.12 for 14	days or until

, Yr \_\_\_\_\_, for the following described tank battery (or LACT):

Name of Lease Stetson #1 Name of Pool Caprock; Atoka, East (Gas)

Location of Battery: Unit Letter <u>G</u> Section <u>26</u> Township <u>125</u> Range <u>32E</u>

Number of wells producing into battery 1 30-025 - 31348

B. Based upon oil production of <u>8</u> barrels per day, the estimated \* volume

of gas to be flared is 55 MCF; Value \$137.50 per day.

C. Name and location of nearest gas gathering facility:

## Stetson #1

D. Distance On Lease Estimated cost of connection \$200/Day

E. This exception is requested for the following reasons:

Targa is shutting us in for plant maintenance

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 Printed Name	OIL CONSERVATION DIVISION Approved Until 7/1 ZO16 By Majur Brown Title
& Title Sarah Presley Regulatory Analyst E-mail Address spresley@bcoperating.com Date 6/15/2016 Telephone No. 432-684-9696	Date 6/15/2016

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