HOBBS OCD State of New Mexico Energy Minerals and Natural Resources

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

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 VANGUARD OPERATING LLC , |
|-------------------|--|
| | whose address is 4001 PENBROOK STE 201, ODESSA TX 79762 |
| | hereby requests an exception to Rule 19.15.18.12 fordays or until |
| | SEPTEMBER 5TH , Yr 2016, for the following described tank battery (or LACT): |
| | Name of Lease NEW MEXICO M STATE Name of Pool BLINEBRY O&G, TUBB, DRINKARD |
| | Location of Battery: Unit Letter P Section 18 Township 22S Range 36E |
| | Number of wells producing into battery 10 9 SEE ATTACHED WELL LIST |
| B. | Based upon oil production ofbarrels per day, the estimated * volume |
| | of gas to be flared is532MCF; Value\$1122.52per day. |
| C. | Name and location of nearest gas gathering facility: |
| | TARGA GAS GATHERING SYSTEM |
| D. | Distance 4 MILES Estimated cost of connection \$35000.00 |
| E. | This exception is requested for the following reasons: ENERGY TRANSFER HAS SHUT IN |
| | GAS UNTIL SEPTEMBER 5, 2016 |
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| | oil Conservation OIL CONSERVATION DIVISION (a) A service of the Oil Conservation OIL CONSERVATION DIVISION |
| is true and compl | en complied with and that the information given above lete to the best of my knowledge and belief. Approved Until 9/23/2016 |
| Signature | Wn N H By Made 21 Brown |
| Printed Name | Nint S. Continol |
| & Title | William (Newt) Painter Title Disc Supervisor Part 1 |
| E-mail Addres | npainter@vnrllc.com Date Date |
| Date 08/23/2 | 2016 Telephone No. 432.468.3872 |

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

NEW MEXICO M STATE #48, 30-025-26014
NEW MEXICO M STATE #50, 30-025-37354
NEW MEXICO M STATE #51, 30-025-37355
NEW MEXICO M STATE #52, 30-025-37613
NEW MEXICO M STATE #53, 30-025-37692
NEW MEXICO M STATE #54, 30-025-37665
NEW MEXICO M STATE #55, 30-025-37540
NEW MEXICO M STATE #56, 30-025-37666
NEW MEXICO M STATE #56, 30-025-37666
NEW MEXICO M STATE #61, 30-025-38342