

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
HOBBBS OGD
SEP 20 2016
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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 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
November 18, 2016, for the following described tank battery (or LACT):
Name of Lease: Phillips Lea North Battery Name of Pool: Vacuum; Grayburg-San Andres
Location of Battery: Unit Letter F Section 31 Township 17S Range 34E
Number of wells producing into battery: 5 (See Attached Listing)
- B. Based upon oil production of 31 barrels per day, the estimated * volume
of gas to be flared is 120 MCF/D; Value @ \$3.00 MCF for a total of \$360.00/day.
- C. Name and location of nearest gas gathering facility:
DCP Sales Point
- D. Distance 0 Estimated cost of connection: No other options
- E. This exception is requested for the following reasons:
DCP Line Repair
(Phillips Lea #001 API # 30-025-02157)

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|---|---|
| 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 <u>Mindy Kotesky</u> Printed Name <u>Mindy Kotesky</u> & Title <u>Regulatory Specialist</u> E-mail <u>mkotesky@linenergy.com</u> Date <u>9/20/2016</u> Telephone No. <u>281.840.4208</u> | OIL CONSERVATION DIVISION Approved Until <u>11/30/2016</u> By <u>Mary Brown</u> Title <u>Dist Supervisor</u> Date <u>9/20/2016</u> |
|---|---|

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

HOBBS OCD

SEP 20 2016

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PHILLIPS LEA NORTH BATTERY

| API | Well Name | Well Number | Type | Lease |
|--------------|------------------|--------------------|-------------|--------------|
| 30-025-02157 | PHILLIPS LEA | #001 | Oil | State |
| 30-025-02163 | PHILLIPS LEA | #002 | Oil | State |
| 30-025-23513 | PHILLIPS LEA | #007 | Oil | State |
| 30-025-42003 | PHILLIPS LEA | #104 | Oil | State |
| 30-025-39184 | PHILLIPS LEA | #013 | Oil | State |

POOL: VACUUM; GRAYBURG/SAN ANDRES