

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 Murchison Oil & Gas, Inc.,
whose address is 7250 Dallas Parkway, Suite 1400, Plano, TX 75024,
hereby requests an exception to Rule 19.15.18.12 for _____ days or until January 7,
_____, Yr 2017, for the following described tank battery (or LACT):

Name of Lease Brininstool 4 State 3H (30-025-41030) Name of Pool Triple X; Bone Spring

Location of Battery: Unit Letter M Section 4 Township 24S Range 33E

Number of wells producing into battery 1

- B. Based upon oil production of 63 barrels per day, the estimated * volume
of gas to be flared is 61 MCF; Value \$153 per day.

- C. Name and location of nearest gas gathering facility:

Frac Cat Compressor Station, Lea County, NM

- D. Distance _____ Estimated cost of connection _____

- E. This exception is requested for the following reasons: Intermittent curtailment by Agave due to compressor maintenance. Well shut in at this time may damage formation and reduce future production.

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 [Signature]

Printed Name
& Title Gary Cooper, Vice President Operations

Email Address rcooper@jdmii.com

Date 9/23/16 Telephone No. 972-931-0700

OIL CONSERVATION DIVISION

Approved Until 1/7/2017

By [Signature]

Title _____

Date 9/29/2016

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