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 Repute 1303

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Revised August 1, 2011

Form C-129

9107 8 6 dBS Submit one copy to appropriate District Office

NFO Permit No OL	
NFO Permit StaOH	(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)

Α.	Applicant Murchison Oil & Gas, Inc.		
	whose address is7250 Dallas Parkway, Ste. 1400, Plano, TX 75024,		
	hereby requests an exception to Rule 19.15.18.12 for days or until January 7,		
	, Yr <u>2017</u> , for the following described tank battery (or LACT): Name of Lease <u>Bettis 20 State Com 2H (30-025-41436</u>) Name of Pool <u>Triple X; Bone Spring, West</u>		
	Location of Battery: Unit Letter PSection 20Township 24SRange 33E		
	Number of wells producing into battery1		
В.	Based upon oil production of86barrels per day, the estimated * volume		
	of gas to be flared is <u>60</u> MCF; Value <u>\$150</u> per day.		
C.	Name and location of nearest gas gathering facility:		
	Frac Cat Compressor Station, Lea County, NM		
D.	DistanceEstimated cost of connection		
E.	This exception is requested for the following reasons: <u>Intermittent curtailment by Agave due to</u> compressor maintenance and high line pressure. Well shut in at this time may damage formation and reduce future production.		
OPERATOR	that the rules and regulations of the Oil Conservation		

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.	Approved Until 1/7/2017
Signature	ByMajeysBrown
Printed Name & Title <u>Gary Cooper, Vice President Operations</u>	Title
Email Address <u>rcooper@jdmii.com</u>	Date 9/29/2016
Date 9/23/16 Telephone No. 972-931-0700	

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