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

**HOBBS OCD**
**MAR 2 2 2017**
**RECEIVED**

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 _July 7_ ,

_____, Yr _2017_____, for the following described tank battery (or LACT):

Name of Lease Brininstool 4 State 4H (30-025-41959) 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 _____58_____ barrels per day, the estimated * volume

of gas to be flared is _____49_____ MCF; Value _____$98_____ 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 Lucid due to
compressor maintenance.  Well shut in at this time may damage formation and reduce future production.

| OPERATOR | OIL CONSERVATION DIVISION |
|---|---|
| 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 ___6/20/2017___ |
| Signature _____ | By ___Mary S Brown___ |
| Printed Name & Title __Gary Cooper, Vice President Operations | Title ___AO/II___ |
| Email Address __rcooper@jdmii.com__ | Date ___3/22/2017___ |
| Date   03/20/17    Telephone No. 972-931-0700 | |

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