

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

HOBBS OCD 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

OCT 24 2017

NFO Permit No. _____
(For Division Use Only)

RECEIVED
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 CHEVRON USA INC.,
whose address is 6301 DEAUVILLE BLVD, MIDLAND TX 79707,
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
_____, Yr 2017 for the following described tank battery (or LACT):
Name of Lease Cain #1 Name of Pool Nadine; Drinkard- Abo
Location of Battery: Unit Letter J Section 14 Township 19S Range 38E
Number of wells producing into battery 2- Cain #1 & #3 (30-025-34145) (30-025-35491)
- B. Based upon oil production of 3 barrels per day, the estimated * volume
of gas to be flared is 22 MCF; Value \$65.12 per day.
- C. Name and location of nearest gas gathering facility:
DCP
- D. Distance 2 miles Estimated cost of connection \$100K(pending 3rd party gatherer capacity).
- E. This exception is requested for the following reasons: No gas take away - Waiting for a DCP line repair.
Loss of lease potential. Plan to produce for few days to meet COP clause

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>Cindy Herrera-Murillo</u> Printed Name & Title <u>Cindy Herrera-Murillo - Permitting Specialist</u> E-mail Address <u>eeof@chevron.com</u> Date <u>10/24/2017</u> Telephone No. <u>575-263-0431</u>	OIL CONSERVATION DIVISION Approved Until <u>1/24/2018</u> By <u>Mary Brown</u> Title <u>AD II</u> Date <u>10/24/2017</u>
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* Gas-Oil ratio test may be required to verify estimated gas volume.