District I 1625 N French Dr. Hobbs. NM 88240 District II 811 S First St., Artesia, NM 88210

HOBBSEQCED tate of New Mexico Dinerals and Natural Resources

Form C-129 Revised August 1, 2011

District III 1000 Rio Brazos Road, Aztec, NM 87410

OCT 23 2017²²⁰ South St. Francis Dr. Santa Fe, NM 87505

Submit one copy to appropriate District Office

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505 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)

| Α. | A. Applicant COG Operating LLC , whose address is 2208 W. Main, Artesia, NM 88210 , hereby requests an exception to Rule 19.15.18.12 for 90 days or un January 21 , Yr 2018 , for the following described tank battery (or LACT): | | |
|--|---|-----------------------------------|--|
| | | | |
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| | | | |
| | Name of Lease Lobo 26 St 1H | Name of Pool Bone Spring | |
| | Location of Battery: Unit Letter D | Section 26 Township 21S Range 33E | |
| | Number of wells producing into battery 1: 30-025-40349 | | |
| B. | Based upon oil production of barrels per day, the estimated * volume | | |
| | of gas to be flared is80 | MCF; Valueper day. | |
| C. | Name and location of nearest gas gathering facility: | | |
| | Targa | | |
| D. | DistanceEstimated cost of connection | | |
| E. | This exception is requested for the following reasons: No pipeline connection | | |
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| 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 1/21/2018 | |
| Signature Cathy Daily By | | By Madeil Brown | |
| Printed Name | | Title AO/IL | |
| | | Date 10/23/2017 | |
| Date 10/23/1 | 7 Telephone No. 575-748-1549 | | |

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