

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
DEC 20 2017
RECEIVED

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: **Steward Energy II, LLC**,
Whose address is: **2600 N. Dallas Pkwy, Suite 400 | Frisco, TX 75034**,
Steward Energy II, LLC Hereby requests an exception to Rule 19.15.18.12, for the following described tank battery (or LACT):
Name of Lease: **Broken Spoke Battery** Name of Pool: **Bronco San Andres South**
Location of Battery: Unit Letter **O** Section **02** Township **14s** Range **38e**
Number of wells producing into battery **1 (One)**
#00H1- API-30-025-41004
- B. Based upon oil production of **12 average** barrels per day, the estimated * volume
of gas to be flared is **≈ 100 average** MCF/day; Value **\$200** per day. * **Calculated from September's Production #'s.**
- C. Name and location of nearest gas gathering facility:
Immediate Area
- D. Distance: **NA** Estimated cost of connection: **NA**

E. This exception is requested for the following reasons: Steward Energy II, LLC (SE II) hereby request an exception to Rule 19.15.18.12 because Targa's Versado System, due to pressure and gas quality constraints, cannot take all of SE II's contractual gas on their system 100 % of the time. Interruptions can occur and it will be necessary for SE II to flare during these times.

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


Printed Name Wayne Price-Price LLC
& Title Consultant for Steward Energy II LLC
E-mail Address wayneprice@q.com
Date Dec 12, 2017 Telephone No. 505-715-2809

OIL CONSERVATION DIVISION
Approved Until **3/31/2018**
By **Wayne Brown**
Title **AO/II**
Date **12/20/2017**

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