

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

HOBBS OGD 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

APR 05 2018

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 SPECIAL ENERGY CORPORATION,
whose address is PO DRAWER 369 STILLWATER, OK 74076,
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
July 3rd, Yr 2018, for the following described tank battery (or LACT):

Name of Lease DECKER Name of Pool GLADIOLA: SAN ANDRES POOL (27810)

Location of Battery: Unit Letter M Section 17 Township 12S Range 38E

Number of wells producing into battery ONE 30-025-43890

B. Based upon oil production of 99 barrels per day, the estimated * volume
of gas to be flared is 53 MCF; Value \$135 per day.

C. Name and location of nearest gas gathering facility:

Versado

D. Distance N/A Estimated cost of connection N/A

E. This exception is requested for the following reasons:

The Versado gas gathering facility is currently at full capacity. Stakeholder Midstream intends to build a natural gas pipeline to our acreage that will be ready by the end of the year.

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 [Signature]

Printed Name
& Title Clark Cunningham Petroleum Engineer

E-mail
Address clark.cunningham@specialenergycorp.com

Date 4/4/18 Telephone No. 405-377-1177

OIL CONSERVATION DIVISION

Approved Until 7/3/2018

By Maley Brown

Title AO/SE

Date 4/5/2018

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