District I
1625 N. French Dr., Hobbs, NM 882~~ **HOBBS OCD**

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 874~~ **MAY 1 0 2018**

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

RECEIVED

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NFO Permit No. _____
(For Division Use Only)

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

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 _____Chisholm Energy Operating, LLC_____,

whose address is _801 Cherry Street, Suite 1200-Unit 20, Fort Worth, TX 76102_,

hereby requests an exception to Rule 19.15.18.12 for _____5_____ days or until

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

Name of Lease ___LAGUNA 23 FED COM BATTERY___ Name of Pool _LEA; BONE SPRING, SOUTH_

Location of Battery: Unit Letter _____ Section _23_ Township _20S_ Range _34E_

Number of wells producing into battery ___3___

B. Based upon oil production of _____95_____ barrels per day, the estimated * volume

of gas to be flared is ___220___ MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

___TARGA-SECT.36/T19S/R36E; LEA COUNTY___   #1H 30-025-40742

D. Distance _____ Estimated cost of connection ___#2H___ $\}$ -40697
    #3H

E. This exception is requested for the following reasons: _PIPELINE CURTAILMENT_ $\}$ -41946

LAGUNA 23 FEDERAL COM #1H, LAGUNA 23 FEDERAL COM #2H,

& LAGUNA 23 FEDERAL COM #3H

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 *Jennifer Elrod*

Printed Name
& Title Jennifer Elrod/Sr. Regulatory Tech

E-mail Address jelrod@chisholmenergy.com

Date 05/08/2018   Telephone No. 817-953-3728

OIL CONSERVATION DIVISION

Approved Until _____

By _____

Title _____ ~~SUBJECT TO~~ _____
~~APPROVAL BY BLM~~

Date _____

---

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

Accepted for Record Only
MJBrown 5/10/2018