

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

MAY 10 2018

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 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 LEA SOUTH 25 FED COM Name of Pool LEA; BONE SPRING, SOUTH  
WC-025 G-08 S203435D; WOLFCAMP  
Location of Battery: Unit Letter \_\_\_\_\_ Section 5 Township 20S Range 34E  
Number of wells producing into battery 7

B. Based upon oil production of 1290 barrels per day, the estimated \* volume  
of gas to be flared is 1144 MCF; Value \_\_\_\_\_ per day.

C. Name and location of nearest gas gathering facility:  
TARGA-SECT. 36/T19S/36E; LEA COUNTY

# 5H 30-025-41367  
# 6H -41898  
# 7H -43029  
# 8 -43057  
10A -43409  
11H -43036  
12H -43110

D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_

E. This exception is requested for the following reasons: PIPELINE CURTAILMENT  
Lea South 25 Fed Com 5H, Lea South 25 Fed Com 6H, Lea South 25 Fed Com 3BS 7H,  
Lea South 25 Federal 8, Lea South 25 Fed Com 2BS 10H, Lea South 25 Fed Com 1BS 11H,  
& Lea South 25 Fed Com WCA 12H

<p><b>OPERATOR</b> 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.</p> <p>Signature <u>Jennifer Elrod</u></p> <p>Printed Name &amp; Title <u>Jennifer Elrod/Sr. Regulatory Analyst</u></p> <p>E-mail Address <u>jelrod@chisholmenergy.com</u></p> <p>Date <u>05/08/2018</u> Telephone No. <u>817-953-3728</u></p>	<p><b>OIL CONSERVATION DIVISION</b></p> <p>Approved Until _____</p> <p>By _____</p> <p>Title _____</p> <p>Date _____</p> <p><b>SUBJECT TO APPROVAL BY BLM</b></p>
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\* Gas-Oil ratio test may be required to verify estimated gas volume.

Accepted for Record Only  
MS Brown 5/10/2018