District I 1625 N. French Dr., Hobbs, NM 88240

State of New Mexico **Energy Minerals and Natural Resources**

Form C-129 Revised August 1, 2011

District II

Note: 11 811 S. First St., Artesia, NM 88210 HOBBS OCD Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit one copy to appropriate District Office

1220 S. St. Francis Dr., Santa Fe, NM 87505 1 1 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) Applicant Chevron USA Inc. A. whose address is 6301 Deauville Blvd, Midland, TX 79706 hereby requests an exception to Rule 19.15.18.12 for 90 days or until ____, Yr __2018 _______, for the following described tank battery (or LACT): Name of Lease Gramma Ridge CTB Name of Pool Red Hills; Bone Spring, North Location of Battery: Unit Letter B Section 14 Township 24S Range 34E Number of wells producing into battery 5 - See Below B. Based upon oil production of ~1200 barrels per day, the estimated * volume of gas to be flared is ~ 1500/month MCF; Value ______ per day. C. Name and location of nearest gas gathering facility: Distance 25miles Estimated cost of connection D. E. This exception is requested for the following reasons: Third party facility is having intermittent compressor trouble at their facility. Gas goes back to sales when compressor comes back on. Gramma Ridge 14 24 34 #1H; Gramma Ridge 14 24 34 #2H; Gramma Ridge 14 24 34 #6H; Gramma Ridge 14 24 34 #8H; Gramma Ridge 14 24 34 #5H API# s (30-25-41811: 30-025-41731: 30-025-42060: 30-025-42289: 30-025-42059) **OIL CONSERVATION DIVISION OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signature _ Circle Henra- Minister Title _____ Printed Name & Title Cindy Herrera-Murillo Permitting Specialist E-mail Address eeof@chevron.com Date 07/10/2018 Telephone No. 575-263-0431

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