

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

OCT 01 2018

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

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 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
December 30th, Yr 2018, for the following described tank battery (or LACT):

Name of Lease DECKER #14 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 58 barrels per day, the estimated * volume
of gas to be flared is 19 MCF; Value \$59 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 10/1/18 Telephone No. 405-377-1177

OIL CONSERVATION DIVISION

Approved Until 12/30/2018

By Malety Brown

Title AD/I

Date 10/1/2018

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