

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
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

OCT 11 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 RG EXPLORATION LLC,
whose address is PO BOX 5023, MIDLAND, TX 78705,
hereby requests an exception to Rule 19.15.18.12 for 180 90 days or until
MAY 6TH, Yr 2019, for the following described tank battery (or LACT):
Name of Lease JADE 19 39 29 STATE COM Name of Pool NADINE; ABO EAST
Location of Battery: Unit Letter D Section 29 Township 19S Range 39E
Number of wells producing into battery 1 WELL 30-025-43294
- B. Based upon oil production of 70 barrels per day, the estimated * volume
of gas to be flared is 7,000 MCF; Value \$149 per day.
- C. Name and location of nearest gas gathering facility:
Targa Midstream Services
- D. Distance 3 mi. Estimated cost of connection n/a
- E. This exception is requested for the following reasons: RG Exploration requests on extension
to flare gas. The Targa gas system is currently at capacity and cannot handle additional
gas volume commitments. The next closest system is greater than 10 miles away.
Targa had expected to have more capacity this Fall 2018 but this has been revised to
Spring when they will be able to take more gas volume commitments.

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 <u>Martha Wulfstange</u> Printed Name & Title <u>Martha Wulfstange, Regulatory Analyst</u> E-mail Address <u>mwulfstange@progressivepcs.net</u> Date <u>10-10-2018</u> Telephone No. <u>303-309-1595</u>	OIL CONSERVATION DIVISION Approved Until <u>1/10/2019</u> By <u>Mary Brown</u> Title <u>AO/I</u> Date <u>10/11/2018</u>
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* Gas-Oil ratio test may be required to verify estimated gas volume.



RG EXPLORATION, LLC
PO Box 50203 - Midland, TX 79710

**RGX Communications with Targa Midstream Services Regarding Gas Contract & Tie-in
for Jade 19 39 29 State Com 003H Well**

Date	Company	Contact	Comments
8/10/18	Targa	Cullen Ingram	Emailed and phoned
8/15/18	Targa	Randy Tamplen	Emailed and phoned - scheduled meeting for next week
8/23/18	Targa	Randy Tamplen	Met with Randy Tamplen on 8/23 in Dallas.
8/24/18	Targa	Randy Tamplen	Requested contract for Jade (phone and email)
8/30/18	Targa	Randy Tamplen	Requested contract for Jade (phone and email)
9/6/18	Targa	Randy Tamplen	Requested call for update on Jade
9/7/18	Targa	Randy Tamplen	Current contract terms, received current agreement for review. Scheduled call for Monday
9/10/18	Targa	Randy Tamplen	Discussion on contract management, which contract should the Jade fall under.
9/11/18	Targa	Randy Tamplen	Targa contract comparison.
9/22/18	Targa	Randy Tamplen	Questioned whereabouts of promised contract.
10/1/18	Targa	Randy Tamplen	Emailed to enquire about contracts.
10/1/18	Targa	Randy Tamplen	Response telling me Targa is on hold in delivering new contracts.
10/4/18	Targa	Tony Aldrich	Contacted Tony Aldrich in Targa OKC office requesting help.
10/5/18	Targa	Tony Aldrich	Received email requesting phone conference on 10/10/18 to discuss new contract structure.