

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

DEC 17 2018

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

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 Steward Energy II, LLC, whose address is 2600 N. Dallas Pkwy, Suite 400 | Frisco, TX 75034, hereby requests an exception to Rule 19.15.18.12 for 90 days or until March 31, Yr 2019, for the following described tank battery (or LACT):

Name of Lease : SAY MY NAME STATE #006H Name of Pool Bronco San Andres South

Location of Battery: Unit Letter M Section 9 Township 14S Range 38E

Number of wells producing into battery 1 (One) API # 30-025-43682

B. Based upon oil production of 29 barrels per day, the estimated * volume of gas to be flared is 27 average MCF; Value \$54 per day.

C. Name and location of nearest gas gathering facility: Immediate Area

D. Distance NA Estimated cost of connection NA

E. This exception is requested for the following reasons: Steward Energy II, LLC (SE II) hereby request an exception to Rule 19.15.18.12 because Targa's Versado System, due to pressure and gas quality constraints, cannot take all of SE II's contractual gas on their system 100 % of the time. Interruptions can occur and it will be necessary for SE II to flare during these times.

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 W Price & Title WPrice-Price LLC mgm consultant for SEII E-mail Address wayneprice@q.com Date Dec 17, 2018 Telephone No. 505-715-2809 OIL CONSERVATION DIVISION Approved Until 3/31/2019 By Petroleum Engineer Date 12/18/2018

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