

HOBBS OGD

State of New Mexico

Energy Minerals and Natural Resources

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 87401

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

MAR 28 2019

RECEIVED

Oil Conservation Division

1230 South St. Francis Dr.

Santa Fe, NM 87505

Form C-129

Revised August 1, 2011

Submit one copy to appropriate
District Office

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
June 30, Yr 2019, for the following described tank battery (or LACT):

Name of Lease Dog Bar Battery Name of Pool Bronco San Andres South
Location of Battery: Unit Letter N Section 11 Township 14S Range 38E
DOG BAR 11 FEE # 1H # 2H # 3H
Number of wells producing into battery (3) (API# 30-025-42873; API# 30-025-42121; API# 30-025-42622)

B. Based upon oil production of 150 average barrels per day, the estimated * volume
of gas to be flared is 377 average MCF; Value \$700 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

Printed Name & Title WPrice-Price LLC mgm consultant for SEII

E-mail Address wayneprice@q.com

Date March 28, 2019 Telephone No. 505-715-2809

OIL CONSERVATION DIVISION

Approved Until 6/30/2019

By [Signature]

Title Petroleum Engineer

Date 03/28/19

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