

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

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 Paladin Energy Corp.

whose address is 10290 Monroe Dr., Suite 301, Dallas, Texas 75229,

hereby requests an exception to Rule 19.15.18.12 for 120 days or until

_____, Yr _____, for the following described tank battery (or LACT):

Name of Lease State BTA #483 Name of Pool Bagely; Siluro Devonian 03990

Location of Battery: Unit Letter G Section 2 Township 12S Range 33E

Number of wells producing into battery One Well

B. Based upon oil production of 77 barrels per day, the estimated * volume

of gas to be flared is 12 MCF; Value \$48.00 per day.

C. Name and location of nearest gas gathering facility: None Available

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: This production and all gas production in our Bagley, East Caprock, Moore, Hightower and King Fields are suspended due to an explosion and fire at the Targa Saunders Gas Plant (the purchaser), until repairs are completed. No other purchaser is available.

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 David Plaisance

Printed Name

& Title David Plaisance

E-mail Address dplaisance@paladinenergy.com

Date 9/12/2013 Telephone No. 214-654-0132

OIL CONSERVATION DIVISION

Approved Until 1-14-2014

By ED Gonzalez

Title Dist. MGR

Date 9-17-2013

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

SEP 17 2013