

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 June 10, 2003

Submit 3 Copies to appropriate
District Office

NFO Permit

No. **I 896-D**

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant **Read & Stevens, Inc.**

whose address is **P. O. Box 1518 Roswell, New Mexico 88202**

hereby requests an exception to Rule 306 for **Permanent** days or until

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

Name of Lease **Liberty 4 #1** Name of Pool **North Osudo Devonian**

Location of Battery: Unit Letter **L** Section **4** Township **20S** Range **36E**

Number of wells producing into battery **1** **30-025-35371**

B. Based upon oil production of **17** barrels per day, the estimated * volume

of gas to be flared is **TSTM** MCF; Value **0** per day

C. Name and location of nearest gas gathering facility:

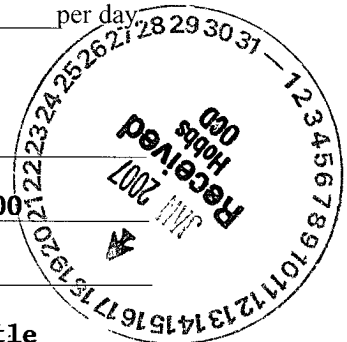
Duke

D. Distance **2 miles** Estimated cost of connection **\$150,000**

E. This exception is requested for the following reasons:

This well has very little solution gas, thus very little

free gas is produced. Gas volume is uneconomic.



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 *John C. Maxey*

Printed Name
& Title **John C. Maxey
President**

E-mail Address **read@trailnet.com**

Date **1-8-07** Telephone No. **505/622-3770**

OIL CONSERVATION DIVISION

Approved Until **1/24/08**

By *Larry W. Wink*

Title **OC FIELD REPRESENTATIVE II/STAFF MANAGER**

Date _____

JAN 20 2007

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