

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)

HOBBS OCD

MAY 25 2016

RECEIVED

A. Applicant Fasken Oil and Ranch Ltd.

whose address is 6101 Holiday Hill Road, Midland TX, 79707
hereby requests an exception to Rule 19.15.18.12 for 7 days or until

June 26, Yr 2016, for the following described tank battery (or LACT):

Name of Lease State BM #1 Name of Pool Caudill; Permo Upper Penn

Location of Battery: Unit Letter K Section 16 Township 15S Range 36E

Number of wells producing into battery 1 **30-025-03681**

B. Based upon oil production of _____ barrels per day, the estimated * volume
of gas to be flared is _____ MCF; Value 10 MCF per day.

C. Name and location of nearest gas gathering facility:

Targa

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Targa is requesting Fasken to flare our gas starting June 20, 2016 due to their plant being shut down for various maintenance activities. Expected to be down for four days, but Fasken is requesting 7 days, in case of unforeseen issues. Please see attached e-mail.

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 Addison Long

Printed Name
& Title Addison Long, Regulatory Analyst

E-mail Address addisonl@forl.com

Date 5/23/16 Telephone No. 432-687-1777

OIL CONSERVATION DIVISION

Approved Until 6/26/2016

By Markus Brown

Title _____

Date 5/25/2016

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



TARGA

Versado Gas Processors, L.L.C.
1000 Louisiana, Suite 4300
Houston, Texas 77002
www.targaresources.com

May 13, 2016

FASKEN OIL & RANCH LTD
MARKETING@FORL.COM

SUBJECT: Notification of Force Majeure Event
Versado Gas Processors, L.L.C. ("Versado")
Saunders Plant ("Plant"), Lea County, New Mexico

NOTE: PLEASE ENSURE THAT THIS LETTER IS DELIVERED ASAP TO THE APPROPRIATE COMMERCIAL AND OPERATIONAL PERSONNEL WITHIN YOUR COMPANY

Dear Operator/Contract Party:

Beginning Monday, June 20, 2016, Versado's Saunders gas processing plant (the "Plant") will be shutting down for approximately four (4) days in order to perform various maintenance activities as well as to install new acid gas cooling fans. **Due to the work being conducted, Versado is requesting that producers serviced by the Plant cease deliveries of their natural gas production by 7:00 a.m. Mountain Time on June 20, 2016 in preparation for the referenced Plant shutdown.** Under the terms of your contract(s) with Versado, this is a force majeure event. You will be informed by Versado field personnel when the work has been completed and your natural gas deliveries can be resumed.

We appreciate your cooperation in this matter and apologize for any inconvenience it may cause. If you have any questions regarding wells involved, you may contact Andrew Seegers at 432-688-0558. If you have questions regarding details on the status of the maintenance and installation work, please contact Randy Duncan, Manager, at 575-396-3221 ext 231.

Very truly yours,

Jerome Gegelman
Senior Vice President
Targa Midstream Services LLC,
as operator of Versado Gas Processors, L.L.C.

cc: Andrew Seegers
Randy Duncan

Targa Contract No(s): 026263

9 mcf 10 mcf 17 mcf 6 mcf
WINGERO, STATE BM, Superior St., James O'Neil