

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

Submit 3 Copies to
Appropriate District Office

NFO Permit No. I-831-C

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

A. Applicant Falcon Creek Resources, Inc.
whose address is 621 17th Street, Suite 1800, Denver, CO 80293-0621
hereby requests an exception to Rule 306 for 3 Years 365 days or until

March 22 March 28, 19 2003, for the following described tank battery (or LACT):

Name of Lease BF State #3 Name of Pool West Teas Yates-Seven Rvrs

Location of Battery: Unit Letter L Section 16 Township 20S Range 33E

Number of wells producing into battery 2

B. Based upon oil production of 15 barrels per day, the estimated * volume
of gas to be flared is 2 MCF; Value 0 per day.

C. Name and location of nearest gas gathering facility:
GPM- Section 9, T20S, 33E

D. Distance 1.6 Estimated cost of connection \$30,000

E. This exception is requested for the following reasons:
Insufficient gas volume to warrant the required expenditure to lay and
tie into gas sales line.

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 [Signature]

Printed Name & Title Joe H. Cox Jr., Senior Engineer

Date March 21, 2000 Telephone No. (303) 675-0007

OIL CONSERVATION DIVISION

Approved Until 3/28/2001

By [Signature]

Title DISTRICT 1 SUPERVISOR

Date MAR 28 2000

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