| 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 Divis 1220 South Storates Santa Fe, AM 87505 JANNFO Permit No.

Submit one copy to appropriate District Office

(For Division Use Only)

APPLICATION FOR EXCEPTION TO N RE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

| Α. | Applicant <u>Fasken Oil and Ranch Ltd.</u> , | | | |
|----|--|--|--|--|
| | whose address is <u>6101 Holiday Hill Road, Midland TX, 79707</u> , hereby requests an exception to Rule 19.15.18.12 for <u>90</u> days or until | | | |
| | | | | |
| | Name of Lease James O'Neill Name of Pool Morton; Wolfcamp | | | |
| | Location of Battery: Unit Letter <u>E</u> Section <u>7</u> Township <u>15S</u> Range <u>35E</u> | | | |
| | Number of wells producing into battery <u>1 (30-025-27237)</u> | | | |
| B. | Based upon oil production ofbarrels per day, the estimated * volume | | | |
| | of gas to be flared isMCF; Value <u>11 MCF</u> per day. | | | |
| C. | Name and location of nearest gas gathering facility: | | | |
| | Targa | | | |
| D. | DistanceEstimated cost of | | | |

This exception is requested for the following reasons: Fasken is requesting a flare permit for the above well E. beginning 12/23/17 until 3/22/18. I was just notified from the field guys that this well has been flaring since the 23rd. Targa has high H2S in their line. They did not give us a timetable of when we can come back online. We would like to go ahead and request 90 days.

| OPERATOR | OIL CONSERVATION DIVISION | | |
|---|---------------------------|--|--|
| I hereby certify that the rules and regulations of the Oil Conservation | | | |
| Division have been complied with and that the information given above | Approved Until 3/22/2018 | | |
| is true and complete to the best of my knowledge and belief. | Approved Onth | | |
| | | | |
| Signature Atten Guelle | Mad Dak. | | |
| Signature | By Mary How | | |
| | | | |
| Printed Name | ADAT | | |
| & Title Addison Guelker, Regulatory Analyst | Title ACIL | | |
| | 1/20/2010 | | |
| | Date 29/2018 | | |
| E-mail Address addisonl@forl.com | | | |
| | | | |
| Date 1/25/18 Telephone No. 432-687-1777 | | | |
| | | | |
| * Gas-Oil ratio test may be required to verify estimated gas volume | | | |