

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 NADEL AND GUSSMAN HEYCO, LLC 30-015-39989

whose address is P.O. Box 1936, Roswell, NM 88202-1936

hereby requests an exception to Rule 19.15.18.12 for 60 days or until

end of April, Yr 2013, for the following described tank battery (or LACT):

Name of Lease Texas Eagle #1H Name of Pool Five Mile; Yeso

Location of Battery: Unit Letter I Section 13 Township 18S Range 26E

Number of wells producing into battery 1

B. Based upon oil production of 31 barrels per day, the estimated * volume

of gas to be flared is 65 MCF; Value \$195 per day.

C. Name and location of nearest gas gathering facility:

DCP Shadow Compressor

D. Distance 6,100ft Estimated cost of connection \$500,000

E. This exception is requested for the following reasons: DCP is backed up and behind in running gas line.

RECEIVED
JAN 29 2013
NMOCD ARTESIA

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 Tammy R. Link

Printed Name & Title Tammy R. Link

E-mail Address tlink@heycoenergy.com

Date 1/29/13 Telephone No. 575-623-6601

OIL CONSERVATION DIVISION

Approved Until April 30-2013

By AP Dade

Title Dist # Supervisor

Date Jan 29-2013

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