

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. 2-976
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

30-015-35673

- A. Applicant REEF Exploration, LP,
whose address is 1901 N. Central Expy, Ste 300, Richardson TX 75080
hereby requests an exception to Rule 306 for 15 days or until
December 1, Yr 2008, for the following described tank battery (or LACT):
Name of Lease State "36" Name of Pool Livingston Ridge; Delaware
Location of Battery: Unit Letter M Section 36 Township 22 S Range 31 E
Number of wells producing into battery 1
- B. Based upon oil production of 9 barrels per day, the estimated * volume
of gas to be flared is 15 MCF; Value \$70.00 est. per day.
- C. Name and location of nearest gas gathering facility:
Barclay State #, 1980 - FSL & 660 - FEL, SEC 2, T23S-R31E
- D. Distance 1400' Estimated cost of connection \$10,000
- E. This exception is requested for the following reasons:
DGP is performing work on pipelines.

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 JOSE L. VELAZ

E-mail Address JOSEV@REEFogc.com

Date 11/11/08 Telephone No. 972-437-6792

OIL CONSERVATION DIVISION

Approved Until DEC 01 2008

By [Signature] Signed By [Signature]

Title _____

Date NOV 14 2008

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