

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.

2-975

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

30-015-35676

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 2 Name of Pool Livingston Ridge, Delaware

Location of Battery: Unit Letter M Section 2 Township 23S Range 31E

Number of wells producing into battery 8

B. Based upon oil production of 15 barrels per day, the estimated \* volume

of gas to be flared is 30 MCF; Value \$140.00 est. per day.

C. Name and location of nearest gas gathering facility:

Barclay State #2, 1980' FSL + 660' FEL,

D. Distance 2000' Estimated cost of connection \$10,000

E. This exception is requested for the following reasons:

OCP 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 Jose.V@REEFogc.com

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

OIL CONSERVATION DIVISION

Approved Until DEC 01 2008

By Signed By [Signature]

Title \_\_\_\_\_

Date NOV 14 2008

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