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.

O. 2 - 10/1

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306 (See Rule 306 and Rule 1129) RECEIVED NOV -4 2009 A. Applicant Merit Energy Company NMOCD ARTESIA whose address is 13727 Noel Rd. Suite 500 Dallas, Texas 75240 days or until hereby requests an exception to Rule 306 for 3 November 06 , Yr 2009 , for the following described tank battery (or LACT): Name of Lease Various Wells (List Attached) Name of Pool Location of Battery: Unit Letter Section Township Range Number of wells producing into battery _____ Based upon oil production of 89 barrels per day, the estimated * volume B. of gas to be flared is 293 MCF; Value _____ per day. C. Name and location of nearest gas gathering facility: D. Distance Estimated cost of connection _____ E. This exception is requested for the following reasons: Frontier Field Services, LLC's plant has shut-down for repairs and maintenance. **OIL CONSERVATION DIVISION OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation NOV 0 6 2009 Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signed By Mile Brance Signature ____ Printed Name Title & Title Lynne Moon Regulatory Manager Date NOV **0 4** 2009 E-mail Address lynne.moon@meritenergy.com

Date 11/03/2009

Telephone No. (972)628-1569

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

Shugart West 19 Federal #1	30-015-30149	N-19-18S-31E
Shugart West 19 Federal #2	30-015-30501	O-19-18S-31E ≲₩D
Shugart West 30C Federal #1	30-015-30533	G-30-18S-31E
Shugart West 19 Federal #4	30-015-30647	M-19-18S-31E
Shugart West 19 Federal #3	30-015-30648	K-19-18S-31E
Shugart West 19 Federal #7	30-015-30686	L-19-18S-31E
Shugart West 19 Federal #5	30-015-30688	F-19-18S-31E
Shugart West 19 Federal #6	30-015-30689	G-19-18S-31E
Shugart West 19 Federal #8	30-015-30923	B-19-18S-31E
Shugart West 19 Federal #9	30-015-30924	J-19-18S-31E
Shugart West 19 Federal #10	30-015-30946	I-19-18S-31E
Shugart West 24 Federal #1	30-015-31340	I-24-18S-30E
Shugart West 24J Federal #3	30-015-31581	J-24-18S-30E
Shugart West 24G Federal #2	30-015-31742	J-24-18S-30E
Shugart West 24A Federal #4	30-015-32115	A-24-18S-30E

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October 19, 2009

VIA FAX: (972) 960-1252

Merit Energy Company Contract Administration 13727 Noel Road Suite 500 Dallas, TX 75240

RE:

Maljamar Plant Maintenance Lea County, New Mexico November 3-5th, 2009

To Whom It May Concern:

The Maljamar Gas Plant located in Lea County, New Mexico will be required to shutdown for repairs and maintenance. The dates for this shutdown are November 3rd, 4th and 5th, 2009. Please coordinate the shut-in of your delivery points during this time period with FFS Field Operations personnel listed below. Please provide us with a company contact, phone number and e-mail address to facilitate the shut-in and re-opening of the delivery points and any problems or concerns that might arise with the proposed timetable. I appreciate your cooperation in helping us maintain our facility so that we may continue to provide you with exceptional service.

If you have any questions, you may contact me at 918.388.8420.

Sincerely

Jeff Hull

Vice President of Gas Supply

Measurement:			
Ed McCasland	(O) 575.676.3503	(C) 575.706.9671	emccasland@frontierfieldservices.com
Jerry Wright	(O) 575.676.3512	(C) 575.361.0154	jwright@frontierfieldservices.com
David Stevens	(O) 575.676.3514	(C) 575.361.0348	dstevens@frontierfieldservices.com
Ed Kelsey	(O) 575.676.3513	(C) 575.361.0367	ekelsey@frontierfieldservices.com
Bobby Mallett	(O) 575.676.3515	(C) 575.361.0392	bmallett@frontierfieldservices.com
Pipeline:			
Joe Calderon	(O) 575.676.3506	(C) 575.361.0148	jcalderon@frontierfieldservices.com
Reyes Ruiz	(O) 575.676.3517	(C) 575.361.0445	rruiz@frontierfieldservices.com
Robert Gomez	(O) 575.676.3516	(C) 575.361.0373	rgomez@frontierfieldservices.com
James Torrez	(O) 575.676.3516	(C) 575.200.5136	jtorrez@frontierfieldservices.com
Tulsa Operations:	• • • • • • • • • • • • • • • • • • • •	•	
Chad Cagle	(O) 918.388.8442	(C) 918.808.4863	ccagle@frontierfieldservices.com
Matt Franzen	(O) 918.388.8408	(C) 918.237.9300	mfranzen@frontierfieldservices.com