

District I
1625 N. French Dr., Hobbs, NM 88240
District II
13 01 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
1320 South Fr Dr.
Santa Fe

Form C-129
Revised June 10, 2003

Submit 3 Copies to appropriate
District Office

NFO Permit No. I-851-6
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

A. Applicant KEVIN O. BUTLER & ASSOCIATES, INC.

whose address is P. O. BOX 1171 MIDLAND, TEXAS 79702

hereby requests an exception to Rule 306 for 365 days or until

APRIL, Yr 2008, for the following described tank battery (or LACT):

Name of Lease BYERS Name of Pool GARRETT-ABO, EAST

Location of Battery: Unit Letter C Section 29 Township 16S Range 39E

Number of wells producing into battery 1 (ONE) 30-025-33407

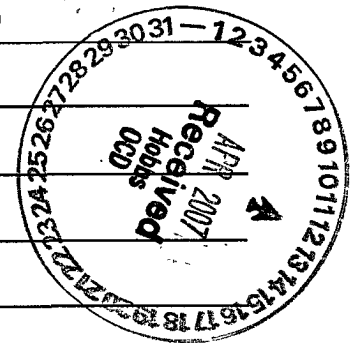
B. Based upon oil production of 4 TO 7 barrels per day, the estimated * volume
of gas to be flared is 1 MCF; Value \$1.00 per day.

C. Name and location of nearest gas gathering facility:

GPM GAS GATHERING - NW Qtr of Sec 23, 16S, 38E LEA COUNTY, NM

D. Distance 15,400' Estimated cost of connection \$97,000

E. This exception is requested for the following reasons: UNECONOMICAL TO BUILD GAS LINE TO THIS WELL.



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 Donna McCann

Printed Name
& Title DONNA McCANN, PRODUCTION ACCOUNTING

E-mail Address kobi-acct@geedmidland.com

Date 4/10/07 Telephone No. (432) 682-1178

OIL CONSERVATION DIVISION

Approved Until 4/13/08

By Gay W. Wink

Title OC FIELD REPRESENTATIVE II/STAFF MANAGER

Date APR 13 2007

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