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. +-938 A (For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129) Applicant Texas Re Exploration Operating, LC, A. whose address is 3025 Maxroy Houston, Texas 77008, __, Yr ____, for the following described tank battery (or LACT): Name of Lease Wilcox 75 Name of Pool Tanahank San Arches Section /9 Township 75 Range 326 30-041-20646 2 30-041-20745 Location of Battery: Unit Letter H Number of wells producing into battery B. Based upon oil production of _______barrels per day, the estimated * volume of gas to be flared is _____ MCF; Value _____ negl. 4: ble C. Name and location of nearest gas gathering facility: C-Sic36-T75-R31E Distance 2 miles Estimated cost of connection #30,000 D. This exception is requested for the following reasons: Gas production is E. **OPERATOR OIL CONSERVATION DIVISION** I hereby certify that the rules and regulations of the Oil Conservation 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. Signature Printed Name Title E-mail Address doropks @ Date FEB 0 9 2007 Telephone No. 432-238-5362

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