District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505 Form C-129 Revised March 17, 1999

Submit 3 Copies to appropriate
District Office

NFO Permit No. ______ (For Division Use Only

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

Applicant Nadel and Gussman Permian A. whose address is 601 N Marienfeld, Suite 508, Midland, Texas 79701 days or until , Yr ____, for the following described tank battery (or LACT): Name of Lease Vest Federal #1 Name of Pool SE Chaves Queen Gas Area Location of Battery: Unit Letter O Section Township 14S Range 30E. Number of wells producing into battery _____1 Based upon oil production of ______ barrels per day, the estimated * volume B. of gas to be flared is _____ MCF; Value _____ per day. Name and location of nearest gas gathering facility: C. Estimated cost of connection D. Distance This exception is requested for the following reasons: ____ The gas rate was recently re-tested and E. the current gas volume is too small to accurately measure. OIL CONSERVATION DIVISION **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Approved Until 1-19-2001 Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. ORIGINAL SIGNED BY Signature GARY WINK FIELD REP. II Printed Name Title & Title Robert McNaughton, Operations Engineer JAN 1.9 2000

Date

Date 12-27-99 Telephone No. 915-694-2553

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