<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

District III

State of New Mexico Energy Minerals and Natural Resources HOBBS OCD Oil Conservation Division

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Revised August 1, 2011

Submit one copy to appropriate District Office

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 EP **2 3 2013**.

NFO Permit No.

(For Division Use Only)

Form C-129

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant Fasken Oil and Ranch, Ltd.

whose address is 6101 Holiday Hill Road, Midland, TX 79707

	, Yr	, for the following o	lescribed tank b	pattery (or LACT):
Name of Lease	See Attachment	:Name of Pool	See Atta	chment
Location of Batt	ery: Unit Letter <u>SA</u>	Section SA To	ownship SA	RangeSA
Number of wells	s producing into battery			
Based upon oil p	oroduction of	barrel	s per day, the es	stimated * volume
	odia CA	MCE, Value		1
of gas to be flare	cu is <u>SA</u>	wicr, value		per day.
	on of nearest gas gathe			per day.
				per day.
Name and locati	on of nearest gas gathe			

back up and running again.	
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 is true and complete to the best of my knowledge and belief.	Approved Until 12-16 - 2013
Signature Rim Yam	By Experience
Printed Name	Tiet war
& Title Kim Tyson, Regulatory Analyst	Title UST. WEST.
E-mail Address kimt@forl.com	Date <u>9-23 - 20/3</u>
Date 9-20-2013 Telephone No. 432-687-1777	

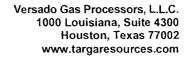
attached letter. No time period was given for when the plant would be

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

Fasken Oil and Ranch, Ltd. Application for Exception to No-Flare Rule 306 Attachment

Lease Name	Pool Name	Location	<u>Volume</u>
James O' Neill No. 1	Morton; Wolfcamp	UL - E, Sec. 7, T15S, R35E	10 mcf per day
State BM No. 1	Caudill; Permo Upper Penn	UL - K, Sec. 16, T15S, R36E	10 mcf per day
Superior State No. 1	Morton; Wolfcamp	UL - K, Sec. 7, T15S, R35E	35 mcf per day
Wingerd Lease	Gladiola; Devonian Gladiola; Mississippian, Southwest	Sec. 24, T12S, R37E	7 mcf per day

James O'Neill No. 1 – API No. 30-025-27237 State BM No. 1 – API No. 30-025-03681 Superior State No. 1 – API No. 30-025-28291





September 5, 2013

FASKEN OIL & RANCH LTD PEGGYG@FORL.COM

SUBJECT:

Notification of Force Majeure Event

Versado Gas Processors, L.L.C. ("Versado") Saunders Plant ("Plant"), Lea County, New Mexico

NOTE:

PLEASE ENSURE THAT THIS LETTER IS DELIVERED ASAP TO THE APPROPRIATE

DEPARTMENT/PERSON WITHIN YOUR COMPANY

Dear Operator/Contract Party:

On Thursday, September 5, 2013 the Saunders Plant (the "Plant") experienced a mechanical failure and a fire. The Plant is being shut in. Under the terms of your contract(s) with Versado, this is a force majeure event.

We are asking Plant producers to shut in their production immediately, and for the duration of this event. Plant staff will assess the extent of damage related to the mechanical failure, and will provide additional detail as to when flow may resume.

We appreciate your cooperation in this matter. If you have any questions regarding wells involved, you may contact Cullen Ingram at 432-688-0541. If you have questions regarding details of the status of Versado's work, please contact Tim Jordan, Area Manager, at 575-396-3221 ext 31.

Very truly yours,

Lank White

Clark White Vice President

cc: Cullen Ingram – Versado Commercial Representative Jerome Gegelman – Versado Commercial Representative Tim Jordan – Versado Area Manager Montie Callager – Versado Gas Control