

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 1, 2011

Submit one copy to appropriate
District Office

HOBBS OCD

SEP 23 2013

NFO Permit No. _____
(For Division Use Only)

RECEIVED
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,
hereby requests an exception to Rule 19.15.18.12 for See Explanation below. days or until
_____, Yr _____, for the following described tank battery (or LACT):
Name of Lease See Attachment Name of Pool See Attachment
Location of Battery: Unit Letter SA Section SA Township SA Range SA
Number of wells producing into battery _____
- B. Based upon oil production of _____ barrels per day, the estimated * volume
of gas to be flared is SA 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: Thursday, September 5, 2013 the
Saunders Plant experienced a mechanical failure and a fire. Please see
attached letter. No time period was given for when the plant would be
back up and running again.

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 Kim Tyson

Printed Name
& Title Kim Tyson, Regulatory Analyst

E-mail Address kimt@for1.com

Date 9-20-2013 Telephone No. 432-687-1777

OIL CONSERVATION DIVISION

Approved Until 12-16-2013

By [Signature]

Title Dist. Dir.

Date 9-23-2013

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

SEP 23 2013

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

<u>Lease Name</u>	<u>Pool Name</u>	<u>Location</u>	<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



TARGA

Versado Gas Processors, L.L.C.
1000 Louisiana, Suite 4300
Houston, Texas 77002
www.targaresources.com

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,

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

Targa Contract No(s): 020304