

District I

1635 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. 1-382-0  
(For Division Use Only)

**APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306**

(See Rule 306 and Rule 1129)

30-025-24194

A. Applicant SOUTHWEST ROYALTIES, INC.

whose address is 6 DESTA DRIVE, STE 2100, MIDLAND, TEXAS 79705

hereby requests an exception to Rule 306 for \_\_\_\_\_ days or until

SEPTEMBER, Yr 2007, for the following described tank battery (or LACT):

Name of Lease READ & STEVENS STATE Name of Pool FLYING M SAN ANDRES

Location of Battery: Unit Letter D Section 5 Township 10S Range 33E

Number of wells producing into battery 1

B. Based upon oil production of 5 BO \_\_\_\_\_ barrels per day, the estimated \* volume

of gas to be flared is 3 MCF; Value 30 per day.

C. Name and location of nearest gas gathering facility:

THERE IS A METER UNUSED ON LCOATION. PURCHASER WILL NOT ACCEPT LESS THAN  
5000 MCF GPD TO GATHER AND PURCHASE.

D. Distance 150' Estimated cost of connection n/a UNDER VOLUME \_\_\_\_\_

E. This exception is requested for the following reasons: \_\_\_\_\_

GATHERER WILL NOT ACCEPT AS WE DO NOT MEET MINIMUM REQUIREMENTS

**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 Dawn M. Howard

Printed Name  
& Title DAWN M. HOWARD/OPR ASST

E-mail  
Address dhoward@claytonwilliams.com

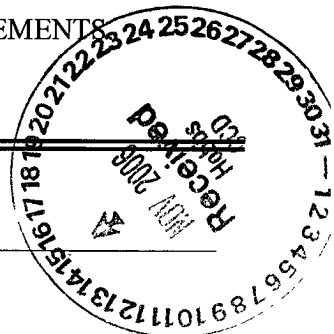
Date 11/13/06 Telephone No. 432/688-3267

**OIL CONSERVATION DIVISION**

Approved Until 11/16/07

By Mary W. Wink  
Title OC FIELD REPRESENTATIVE II/STAFF MANAGER

Date NOV 17 2006



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