

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. I-407-9
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant Breck Operating Corp.

whose address is P.O. Box 911, Breckenridge, TX 76424

hereby requests an exception to Rule 306 for

December 1, Yr 2008, for the following described tank battery (or LACT):

Name of Lease Loretta D. Lowe Name of Pool Denton: Wolfcamp

Location of Battery: Unit Letter P Section 22 Township 14S Range 37E

Number of wells producing into battery 1

30.025-26770

B. Based upon oil production of 4 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value per day.

C. Name and location of nearest gas gathering facility:

W/2 of Section 23 T14S-R37E

D. Distance 2000' Estimated cost of connection \$30,000.00

E. This exception is requested for the following reasons:

Gas Volume Too Small For Connection

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 Linda Venekamp

Printed Name

& Title Linda Venekamp / Production Clerk

E-mail Address lvenekamp@breckop.com

Date 10-18-07 Telephone No. (254) 559-3355 ext. 260

OIL CONSERVATION DIVISION

Approved Until 10/24/08

By Larry W. Wink

Title OIL FIELD REPRESENTATIVE II / STAFF MANAGER

Date OCT 24 2007

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