DISTRICT I
1625 N. French Drive, Hobbs, NM 88240
DISTRICT II
1301 W. Grand Ave., Artesia, NM 88210
DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-129 Revised 4-1-91

OIL CONSERVATION DIVISION

1220 South St. Francis Drive Santa Fe, NM 87505

NFO Permit No T-925 C
(For Division Use Only)

Submit 3 Copies to Appropriate District Office

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

Mack Energy Corporation Applicant___ whose address is P.O. Box 960, Artesia, NM 88211-0960 365 hereby requests an exception to Rule 306 for _____ _____davs or until ______ 20 ______ for the following described tank battery (or LACT): Grayburg Jackson Name of Lease Matador 19 State Name of Pool _ 7RVS-QN-GB-SA Location of Battery: Unit Letter L Section 19 Township 16 Range 32 Number of wells producing into battery —— barrels per day, the estimated * volume Based upon oil production of_____ TSTM MCF; Value_____ of gas to be flared is ____ Name of location of nearest gas gathering facility: Conoco Maljamar Gas Plant Estimated cost of connection There is no charge to connect to our gas D. This exception is requested for the following reasons: The gas from this lease is to small to measure. **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 _ Signature_ OC DISTRICT SUPERVISOR/GENERAL MANAGER Title_ Printed Name Crissa D. Carter **Production Analyst** & Title _____ OCT 2 0 2006 Date 10/18/2006 Telephone No. (505)748-1288-

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