

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

Submit 3 Copies to
Appropriate District Office

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

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

- A. Applicant Mack Energy Corporation,
whose address is P.O. Box 960, Artesia, NM 88211-0960,
hereby requests an exception to Rule 306 for 365 days or until
20, for the following described tank battery (or LACT):
Name of Lease Matador 19 State Name of Pool Grayburg Jackson
7RVS-QN-GB-SA
Location of Battery: Unit Letter L Section 19 Township 16 Range 32
Number of wells producing into battery 6
B. Based upon oil production of 59 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value per day.
C. Name of location of nearest gas gathering facility:
Conoco Maljamar Gas Plant
D. Distance Estimated cost of connection There is no charge to connect to our gas
E. This exception is requested for the following reasons: The gas from this lease is too small to
measure.

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 Crissa D. Carter

Printed Name & Title Crissa D. Carter Production Analyst

Date 10/18/2006 Telephone No. (505)748-1288

OIL CONSERVATION DIVISION

Approved Until 10/20/2007

By Chris Williams DISTRICT SUPERVISOR/GENERAL MANAGER

Title OC DISTRICT SUPERVISOR/GENERAL MANAGER

Date OCT 20 2006

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