

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

OIL CONSERVATION DIVISION

1220 South St. Francis Drive
Santa Fe, NM 87505

Form C-129
Revised 4-1-91

**Submit 3 Copies to
Appropriate District Office**

NFO Permit No.

I-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 Maliamar 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 to 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 Miss L. Cort

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 Chas. H. Williams DISTRICT SUPERVISOR GENERAL MANAGER

Title OC DISTRICT SUPERVISOR/GENERAL MANAGER

Date 10/20/2006 10/20/2006

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