

RECEIVED State of New Mexico
 Energy, Minerals and Natural Resources
 MAR 19 2011 Oil Conservation Division
 4220 South St. Francis Dr.
 Santa Fe, NM 87505
 NMOCD ARTESIA NFO Permi

Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant Fasken Oil and Ranch, Ltd.

30-015-32696

whose address is 6101 Holiday Hill Road, Midland, TX 79707

hereby requests an exception to Rule 19.15.18.12 for Please see below days or until

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

Name of Lease Soapberry Draw "7" Name of Pool Catclaw Draw; Delaware, East
State #1

Location of Battery: Unit Letter K Section 7 Township 21S Range 26E

Number of wells producing into battery . 1

B. Based upon oil production of _____ barrels per day, the estimated * volume

of gas to be flared is 15 MCF; Value per day.

C. Name and location of nearest gas gathering facility:

DCP

D.	Distance	Estimated cost of connection
1	100	100
2	200	200
3	300	300
4	400	400
5	500	500
6	600	600
7	700	700
8	800	800
9	900	900
10	1000	1000

E. This exception is requested for the following reasons: Please see attached Force

Majeure Notice. DCP has not given Fasken a firm date as to when

they will be able to take our gas again. They said that they would

keep us posted. Please see attached e-mail.

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 Ramin Youm

Printed Name _____
& Title Kim Tyson, Regulatory Analyst

E-mail Address kimt@for1.com

Date 3-18-2013 Telephone No. 432-687-1777

OIL CONSERVATION DIVISION

Approved Until April 30 - 2013

By MDade

Title Dist H Spewison

Date 3/27/13

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

★ SEE ATTACHED COA's

March 12, 2013

FORCE MAJEURE NOTICE

NGL Sales Pipeline Outage

TO ALL GAS PRODUCERS BEHIND ARTESIA PROCESSING PLANT:

This is to inform you that gas behind DCP's referenced processing plant will be shut in to reduce NGL flow. Attached is an average volume, by producer, which will have to be reduced by 65% in order to keep the Artesia plant running without exceeding NGL limitations. Producers have the option of reducing each meter by 65% or shutting in 65% of the total volume.

The Chevron-Phillips Chemical Company ("CPChem") Sweeny Complex experienced external power and internal cogen outage Sunday morning, March 10, resulting in a complete outage of the Sweeny Complex. Due to the Sweeny outage, CP Chem shut down all flow into their EZ NGL Pipeline east of their Benedum storage cavern, and all points west have been injected in storage at Benedum cavern, which is now full. External power at the Sweeny Complex has been restored. As of this writing, CP Chem expects to be out at least 48 hours, as it will take that long to get their cogen units back up and generating sufficient steam to run transfer pumps into their Clemens storage cavern. At that time, EZ Pipeline will be able to flow at a reduced rate until CP Chem is able to get their fractionators back on line. DCP did receive a written Force Majeure notice from CP Chem, which is also attached.

DCP warmed up the above-referenced processing plants as much as possible, utilized all on site storage and available line pack, but the length of the outage has forced DCP to reduce NGL production to what can be moved on other NGL pipelines. **This MexTex/EZ Pipeline outage is a Force Majeure event under the terms of your Contracts with DCP.**

For safety and environmental reasons, DCP cannot vent or flare the gas at our facilities. DCP field personnel have been in contact with their counterparts at your company to coordinate shut in of the gas and will contact them again when NGL sales from the plants has been re-established, the plants restarted, and gas can be safely turned back in at the delivery points.

DCP greatly appreciates your patience and cooperation during this outage.

David Griesinger

SENM Managing Director
432-620-4214

Kim Tyson

From: Sheila Payne [sheilap@forl.com]
Sent: Friday, March 15, 2013 4:20 PM
To: Kim Tyson
Subject: FW: UPDATE DCP CURTAILMENT - ARTESIA GATHERING SYSTEM
Importance: High

Thanks,
Sheila

From: Frees, Amy M [mailto:AMFrees@dcpmidstream.com]
Sent: Thursday, March 14, 2013 4:28 PM
To: sheilap@forl.com
Subject: UPDATE DCP CURTAILMENT - ARTESIA GATHERING SYSTEM
Importance: High

PLEASE BE ADVISED

The re-start process of the Sweeny Refinery and Fractionator is being hampered by delays with the Cogen units. This is requiring extended work to dry-out and remove condensate from the steam system which is required to operate the NGL pumps. Further downstream, re-start of the U10D Fractionator is delayed until Sunday, March 17th. At this time, DCP is not making plans to resume gas takes into our Artesia gathering system until possibly Monday, March 18th. Thank you for your cooperation during this event. We will provide further updates as the situation progresses.

Amy

Amy M. Frees
Commercial Accounts Manager
Commercial – Western Division
DCPMidstream
10 Desta Dr., Suite 400-West
Midland, TX 79705

(o) 432-620-4057
(m) 432-488-9139
(f) 432-620-4011
email: AMFrees@dcpmidstream.com
www.dcpmidstream.com

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This message has been scanned for viruses and dangerous content by **Basin Broadband, Inc.**, utilizing DefenderMX technology, and is believed to be clean.

3/18/2013

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 SOUTH FIRST STREET
ARTESIA, NM 88210
(575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
 - 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.

- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here *AR*

3 27/13

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 19, 2013

FOR IMMEDIATE RELEASE

Contact: Jim Winchester (505)231-8800 E-Mail: jim.winchester@state.nm.us

Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 460 fires have burned 25,475 acres on state and private land in calendar year 2012.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures could also be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to www.nmforestry.com for updates or call your local district office.

New Mexico State Forestry offers the following guidelines for establishing effective defensible space:

- Create a "Lean, Clean and Green" firebreak area by removing flammable vegetation and growth within 30 feet of each structure. Single trees and shrubs may be retained if they are well spaced, pruned and placed so they avoid the spread of fire. Maintain an irrigation system for any vegetation near structures.
- Keep grass and weeds mowed.
- Prune lower tree limbs to at least 6 feet up to 15 feet (or lower 1/3 of branches on smaller trees).
- Remove vegetation and debris around propane tanks.

For the latest fire weather information please visit USDA Forest Service website:

<http://activefiremaps.fs.fed.us/current.php>

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.