

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87005
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

JUL 13 2012

RECEIVED

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 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.,
whose address is 303 W. Wall St., Suite 1800, Midland, Texas 79701-5106,

hereby requests an exception to Rule 19.15.18.12 for 365 days or until

Dec 31, 2012, Yr 2013, for the following described tank battery (or LACT): Lea Co

Name of Lease Griffin Name of Pool McDonald Upper Penn-Pool 44975

Location of Battery: Unit Letter A Section 4 Township 14S Range 36E

Number of wells producing into battery One (API #30-025-23781)

B. Based upon oil production of 7 barrels-per-day, the estimated* volume

of gas to be vented is 2.61 MCF; Value \$2.61 (@ \$2.61/mcf 7/2012-IF-FOM-EP-PB) per day.

C. Name and location of nearest gas gathering facility:

WTG Gas Gathering, NW/4 of Section 5, T14S, R36E, Lea Co NM

D. Distance approx 1.5 Miles Estimated cost of connection \$95,000

E. This exception is requested for the following reasons:

At current gas prices, pay out of the gas pipeline would be 84 years (\$95,000/\$2.61/365=99.7 yrs)

making the project uneconomical. Permission to vent is requested.

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 Sheila Payne

Printed Name Sheila Payne
& Title Marketing and Production Acctg Manager

E-mail Address sheilap@forl.com

Date 7/11/2012 Telephone No. 432-687-1777

OIL CONSERVATION DIVISION

Approved Until 12-31-2012

By ED Gonzalez

Title Dist MGR

Date 7-16-2012

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

JUL 16 2012