

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 87410
District IV
1220 S St Francis Dr., Santa Fe, NM 87505

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

JUL 18 2012

NFO Permit No. _____
(For Division Use Only)

RECEIVED

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
July 31, Yr 2013, for the following described tank battery (or LACT):

Name of Lease Grande Name of Pool East Stallion-Devonian/Pool 96633

Location of Battery: Unit Letter M Section 3 Township 13S Range 38E

Number of wells producing into battery One (API #30-025-33502)

B. Based upon oil production of 14 barrels per day, the estimated * volume
of gas to be flared is 2 MCF; Value \$5.22 (@ \$2.61/mcf 7/2012 IF FOM/EP/PB) per day.

C. Name and location of nearest gas gathering facility:

Targa Midstream

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

E. This exception is requested for the following reasons:

It is uneconomical to connect the well to Targa at the current production rate and commodity prices.

The location is approx. 5.04 mi east and 2.8 mi south of Gladiola NM. No structures within

1 mile radius of location. (Payout= 49.9 yrs)

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 [Signature]

Title Dist. Mgr

Date 7-16-2012

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