

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

NFO Permit No. \_\_\_\_\_  
(For Division Use Only)

HOBBS OCD  
SEP 17 2013  
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)

HOBBS OCD

A. Applicant Paladin Energy Corp.

whose address is 10290 Monroe Dr., Suite 301, Dallas, Texas 75229,

hereby requests an exception to Rule 19.15.18.12 for 120 days or until

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

Name of Lease Lowe 25 #1 Name of Pool King; Devonian

Location of Battery: Unit Letter M Section 25 Township 13S Range 37E

Number of wells producing into battery One Well

B. Based upon oil production of 35 barrels per day, the estimated \* volume

of gas to be flared is 10 MCF; Value \$40.00 per day.

C. Name and location of nearest gas gathering facility: None Available

D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_

E. This exception is requested for the following reasons: This production and all gas production in our Bagley, East Caprock, Moore, Hightower and King Fields are suspended due to an explosion and fire at the Targa Saunders Gas Plant (the purchaser), until repairs are completed. No other purchaser is available.

30-025-30702

SEP 13 2013

RECEIVED

<p><b>OPERATOR</b> 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.</p> <p>Signature <u>David Plaisance</u></p> <p>Printed Name &amp; Title <u>David Plaisance</u> E-mail Address <u>dplaisance@paladinenergy.com</u> Date <u>9/12/2013</u> Telephone No. <u>214-654-0132</u></p>	<p><b>OIL CONSERVATION DIVISION</b></p> <p>Approved Until <u>1-14-2014</u></p> <p>By <u>[Signature]</u></p> <p>Title <u>DIST MGR</u></p> <p>Date <u>9-17-2013</u></p>
---	---

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

SEP 17 2013