

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

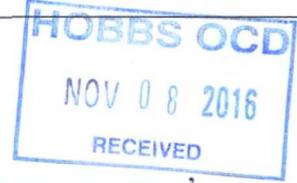
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised August 1, 2011
Submit one copy to appropriate
District Office

NFO Permit No. _____
(For Division Use Only)

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 SPECIAL ENERGY CORP,

whose address is P.O. DRAWER 369, STILLWATER, OK 74076,

hereby requests an exception to Rule 19.15.18.12 for **14 days** or until **NOVEMBER 24, 2016**,

for the following described tank battery (or LACT):

Name of Lease **WATKINS** Name of Pool **JALMAT; TANSIL-YATES-SEVEN RIVERS**

Location of Battery: Unit Letter **A** Section **35** Township **24-S** Range **36-E**

Number of wells producing into battery **ONE (1)**

B. Based upon oil production of **6.7** barrels per day, the estimated * volume

of gas to be flared is **8.2** MCF; Value **\$24.61** per day.

C. Name and location of nearest gas gathering facility:

ENERGY TRANSFER JAL - 3 PLANT

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: **ENERGY TRANSFER JAL - 3 PLANT**

TURN AROUND.

WELL: WATKINS #003 (30-025-27946)

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 David A. Eyer

Printed Name
& Title: **DAVID A. EYLER - AGENT**

E-mail Address: DEYLER@MILAGRO-RES.COM

Date: 11/07/16 Telephone No.: 432.687.3033

OIL CONSERVATION DIVISION

Approved Until 11/24/2016

By Marys Brown

Title Dist Supervisor

Date 11/8/2016

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