

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)

RECEIVED
APR 19 2017
OBS OSD

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 6101 Holiday Hill Road, Midland TX, 79707,
hereby requests an exception to Rule 19.15.18.12 for 30 days or until

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

Name of Lease Quail 16 State Name of Pool Lea; Bone Spring, South

Location of Battery: Unit Letter M Section 16 Township 20S Range 34E

Number of wells producing into battery 3

B. Based upon oil production of _____ barrels per day, the estimated * volume
of gas to be flared is See Below MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Targa

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Fasken is requesting a flare permit starting May 8th through June 6th 2017. Targa is shutting down their Processing Plant, due to maintenance issues. The Plant plans on being shut down for 5 days, but we would like to request 30 days in case of unforeseen issues.

Quail 16 State No. 4H API: 30-025-40531; UL-N, Sec 16, T20S, R34E; SHL: 200' FSL & 1650' FWL. Will flare 220 MCFPD.

Quail 16 State No. 7H API: 30-025-40942; UL-P, Sec 16, T20S, R34E; SHL: 200' FSL & 225' FEL. Will flare 85 MCFPD.

Quail 16 State No. 8H API: 30-025-41366; UL-O, Sec 16, T20S, R34E; SHL: 262' FSL & 2080' FEL. Will flare 120 MCFPD.

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 <u>Addison Long</u> Printed Name & Title <u>Addison Long, Regulatory Analyst</u> E-mail Address <u>addisonl@forl.com</u> Date <u>4/17/17</u> Telephone No. <u>432-687-1777</u>	OIL CONSERVATION DIVISION Approved Until <u>June 6, 2017</u> By <u>Marys Brown</u> Title <u>AO/II</u> Date <u>4/20/2017</u>
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* Gas-Oil ratio test may be required to verify estimated gas volume.



TARGA

Targa Midstream Services
Limited Partnership
Suite 4300
1000 Louisiana
Houston, Texas 77002
www.targaresources.com

Date: April 10, 2017

FASKEN OIL AND RANCH LTD
MARKETING@FORL.COM

SUBJECT: Scheduled Maintenance Outage
Force Majeure Event – Versado Gas Processors, L.L.C. ("Versado")
Monument Plant – May 8, 2017 through May 12, 2017

**NOTE: PLEASE ENSURE THAT THIS LETTER IS DELIVERED ASAP TO THE
APPROPRIATE DEPARTMENT/PERSON WITHIN YOUR COMPANY**

Dear Contract Party / Operator:

Versado's Monument Gas Processing Plant ("Monument Plant") will shut down for approximately five (5) days to perform necessary maintenance on the Monument Plant and its related facilities. Such activities will include cleaning the amine system and replacement of control valves. **Unless notified to do so at an earlier time by a Versado field representative, you should cease deliveries to Versado of natural gas production serviced by the Monument Plant by 7:00 a.m. MDT on May 8, 2017.** Under the terms of your contract(s) with Versado relevant to the processing of gas at the Monument Plant, this is a force majeure event. You will be informed by Versado when the maintenance work has been completed and your deliveries to Versado can be resumed. Please note that Versado is timing this maintenance work so that much or all of it will run concurrently with scheduled maintenance work being performed by El Paso Natural Gas Company ("El Paso") on its natural gas pipeline serving the Plant. El Paso's shutdown of this pipeline will in any event compel the Plant to shut down during its continuance and itself constitutes a force majeure event under your contract(s) with Versado. Versado is timing its own maintenance work to coincide with El Paso's work so as to minimize the amount of time during which the Plant must cease processing gas.

The New Mexico Environment Department's ("NMED") Air Quality Bureau prohibits Versado from flaring gas for routine maintenance events. Should you continue deliveries of gas to the Monument Plant during this force majeure event, Versado will be required to shut in any such delivery point. If any gas is delivered at a delivery point during the shutdown, regardless of whether Versado has or has not shut in such delivery point, Versado will zero the volumetric readings for any delivery point recording flow during this period.

Versado takes its environmental obligations very seriously. Consequently, Versado appreciates your cooperation in this matter to help us all comply with such obligations.

If you have any questions regarding wells involved, you may contact Cullen Ingram at (432) 688-0541 or email him at cingram@targaresources.com. If you have questions regarding details of the actual event, contact Bill Little at (575) 394-2534 ext 226 or email him at blittle@targaresources.com

Very truly yours,

Jerome Gegelman
Senior Vice President
Targa Midstream Services LLC,
as Operator of Versado Gas Processors, L.L.C.

Copy: Cullen Ingram
Bill Little
Targa Gas Control Group

Contract No(s): 017660