

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 June 10, 2003

Submit 3 Copies to appropriate  
District Office

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

**APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306**

(See Rule 306 and Rule 1129)

30-015-34027

A. Applicant: Ameristate Exploration LLC,

Whose address is 401 Congress Ave., Suite 2900, Austin, TX 78701,

hereby requests an exception to Rule 306 for two days or until

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

Name of Lease: Midnight 13 State Com #1, Name of Pool: Pecos River; Morrow 97375

Location of Battery: Unit Letter: D, Section: 13, Township: 16-S, Range: 26-E

Number of wells producing into battery: N/A, New production

B. Based upon oil production of (N/A) barrels per day, the estimated \* volume

of gas to be flared is 3000 MCF; Value: market value/per day.

C. Name and location of nearest gas gathering facility: Delivery at well site (location same as battery) with delivery to Agave Energy Co., Clarence #4

D. Distance:  $\pm 1 \frac{1}{2}$  mi. Estimated cost of connection  $\approx 125K$

D. This exception is requested for the following reasons: This is a new well. A 48 hour test is necessary for reservoir and economic evaluation as well as design improvements while awaiting completion of pipeline and facilities, which is approximately one month away.

**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 Susan Perkins

Printed Name

& Title : Susan Perkins, Regulatory Coordinator

E-mail Address: s.perkins@mdtrn.com

Date 10-4-06

Telephone No. 512-623-5537

**OIL CONSERVATION DIVISION**

Approved Until 4/6/07

By J. L. Brennan

Title Director NMDCD

Date 10/6/06

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



## Ameristate Exploration, LLC

*A Subsidiary of Mediterranean Resources, LLC*

401 Congress Ave., Suite 2700  
Austin, Texas 78701-4067

Office: (512) 391-0300  
Fax: (512) 391-0302

October 4, 2006

**VIA FAX: (505) 748-9720**

Mr. Mike Bratcher  
Oil Conservation Division  
Environmental Division  
1301 W. Grand Avenue  
Artesia, NM 88210

RE: Midnight 13 State Com #1, API 30-015-34027  
D-S13-T 16-S, R 26-E, Eddy Co. NM  
Form C-129

Dear Mr. Bratcher,

Thank you for taking my call this morning and assisting me on the correct form to complete on requesting an exception to the No-Flare Rule.

Attached please find form C-129 on the Midnight 13 State Com #1, which we just completed drilling. We respectfully request an exception to the rule in order to do a reservoir and economic evaluation, as well as design improvements while awaiting completion of the pipeline/facilities.

Please call me at 512-623-5537 or by email, [s.perkins@mdtrn.com](mailto:s.perkins@mdtrn.com) if you have any questions or need any additional information.

Thank you so much for your assistance and we eagerly await your response.

Sincerely,

A handwritten signature in cursive script, appearing to read "Susan", followed by a long horizontal flourish.

Susan Perkins  
Regulatory Coordinator

Attached: C-129

Cc: Joy Blevins, Production and Completion Manager