

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

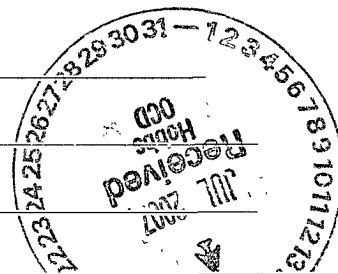
Submit 3 Copies to appropriate
District Office

NFO Permit No. I-966-A
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Fasken Oil and Ranch, LTD,
whose address is 303 Wall ST, Midland, TX 79701-5516,
hereby requests an exception to Rule 306 for 365 days days or until
July 26, 2008, Yr 2008, 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 T-13S R-38E
Number of wells producing into battery One 30-025-33502
- B. Based upon oil production of 23 barrels per day, the estimated * volume
of gas to be flared is 3 Mcfpd: MCF; Value 18.72 per day.
- C. Name and location of nearest gas gathering facility:
Targa
- D. Distance one and one half miles Estimated cost of connection \$25,000
- E. This exception is requested for the following reasons: At current production would not be economical.



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 Maxine Kirkpatrick
Printed Name: Maxine Kirkpatrick
Title: Production Analyst
E-mail: maxineki@forl.com
Date July 13, 2007 Telephone No. 432 687-1777

OIL CONSERVATION DIVISION

Approved Until 7/17/08
By Larry W. Wink
Title OC FIELD REPRESENTATIVE II/STAFF MANAGER
Date JUL 17 2007

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