

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

RECEIVED State of New Mexico
Energy, Minerals and Natural Resources

AUG 27 2009 Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
HOBSOCD

Form C-129
Revised June 10, 2003

Submit 3 Copies to appropriate
District Office

NFO Permit No.

I-988-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 W Wall, Suite 1800 Midland, TX 79701-5116

hereby requests an exception to Rule 306 for 365 days or until

August 31, 2010, for the following described tank battery (or LACT):

Name of Lease James O'Neill Name of Pool Morton; Wolfcamp

Location of Battery: Unit Letter E Section 7 Township T-15S Range R-35E

Number of wells producing into battery One

30-025-27237

B. Based upon oil production of 3 barrels per day, the estimated * volume

of gas to be flared is 11 Mcfpd; Value \$34.32 per day.

C. Name and location of nearest gas gathering facility: Targa Midstream

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: Targa stopped taking the gas March 2008

as they have reached the maximum allowed H2S recovery at their plant. WTG, the other option in the

area, has also reached their limit and have therefore declined to connect this well to their system. We

are therefore requesting permission to vent until the situation changes.

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 Sheila Payne

Sheila Payne

Title: Marketing / Production Manager

E-mail Address: sheilap@forl.com

Date: 08/26/09 Telephone No. 432-687-1777

OIL CONSERVATION DIVISION

Approved Until 9-2-2010

By Tony W. Hill

Title DISTRICT 1 SUPERVISOR

Date SEP 03 2009

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