• 1	Distract I       State of New Mexico         1625 N French Dr., Hobbs, NM 88240       Energy Minerals and Natural Resources       Form C-129         District III       1301 W Grand Avenue, Artesia, NM 8821       RECEIVEDI Conservation Division       Revised June 10, 2003         District III       1220 South St. Francis Dr.       Submit 3 Copies to appropriate         District IV       SEP 17 2009       Santa Fe, NM 87505       NFO Permit         1220 S St Francis Dr., Santa Fe, NM 87505       NFO Permit       No.       Image: Comparison Use Only         APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306         (For Division Use Only         See Rule 306 and Rule 1129)		
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	A. ApplicantSOUTHWEST ROYLATIES, INC, whose address is 6 DESTA DRIVE, STE 2100, MIDLAND, TEXAS 79705,		
	hereby requests an exception to Rule 306 for		
	SEPTMEBER _, Yr 2010, for the following described tank battery (or LACT):		
	Name of LeaseREAD & STEVENS STATEName of Pool _FLYING M SAN ANDRES		
	Location of Battery: Unit LetterDSection _5Township 10S_Range _33E		
	Number of wells producing into batteryONE		
	B. Based upon oil production of5barrels per day, the estimated * volume		
	<ul> <li>of gas to be flared is3MCF; Value\$12.30per day.</li> <li>C. Name and location of nearest gas gathering facility: THERE IS A METER UNUSED ON LOCATION. PURCHASER WILL NOT ACCEPT LESS THAN 5000 MCFGPD TO GATHER AND PURCHASE.</li> <li>D. Distance150'Estimated cost of connectionN/A UNDER VOLUME REQUIREMENT</li> </ul>		MCF; Value\$12.30 per day.
	E. This exception is requested for the following reasons:		
	GATHERER WILL NOT ACCEPT AS WE DO NOT MEET MINIMAL REQUIREMENTS.		
	NFO permit #I-382-Q; API #30-025-24194		025-24194
	Division have b	that the rules and regulations of the Oil Conservation been complied with and that the information given above plete to the best of how knowledge and belief.	OIL CONSERVATION DIVISION Approved Until $Sept. 18, 2010$
	Signature and for al		By Cany W. Hip
	Printed Name & Title DAWN M. HOWARD		Title DISTRICT 1 SUPERVISOR
	E-mail Addressdhoward@claytonwilliams.com		Date SEP 18 2009
	Date 9/16/09 Telephone No. 432/6883267		

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

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