

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

SEP 17 2009

HOBBSOCD

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-595-R
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

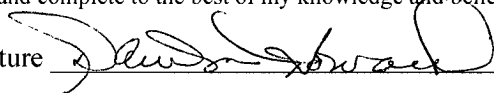
(See Rule 306 and Rule 1129)

- A. Applicant SOUTHWEST ROYLATIES, INC.,
whose address is 6 DESTA DRIVE, STE 2100, MIDLAND, TEXAS 79705,
hereby requests an exception to Rule 306 for _____ days or until
SEPTMEBER, Yr 2010, for the following described tank battery (or LACT):
Name of Lease SKELLY 20 STATE Name of Pool FLYING M SAN ANDRES
Location of Battery: Unit Letter D Section 20 Township 10S Range 33E
Number of wells producing into battery ONE 30-025-28789
- B. Based upon oil production of 5 barrels per day, the estimated * volume
of gas to be flared is 1 MCF; Value \$4.10 per day.
- C. Name and location of nearest gas gathering facility:
DYNEGY
- D. Distance 4000' Estimated cost of connection N/A UNDER VOLUME REQUIREMENT
- E. This exception is requested for the following reasons: _____
GATHERER WILL NOT ACCEPT AS WE DO NOT MEET MINIMAL REQUIREMENTS.
NFO permit #I-595-Q; API #30-025-28789

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



Printed Name

& Title DAWN M. HOWARD

E-mail Address dhoward@claytonwilliams.com

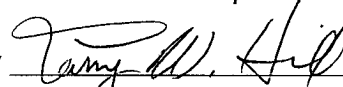
Date 9/16/09 Telephone No. 432/6883267

OIL CONSERVATION DIVISION

Approved Until

Sept. 18, 2010

By



Title

DISTRICT 1 SUPERVISOR

Date

SEP 18 2009

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