State of New Mexico District I DISTRICT 1625 N French Dr., Hobbs, NM 88240 Minerals and Natural Resources 1 Conservation Division 20 South St. Francis Dr. Santa Fe, NM 87505 District III

1000 Rio Brazos Road, Aztec, NM 87410 SEP 0 9 70119

1220 S St Francis Dr , Santa Fe, NM 87 OBBSUCD

District IV

Form C-129 Revised June 10, 2003

Submit 3 Copies to appropriate District Office

NFO Permit No.

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129) Applicant Read & Stevens Inc. A. whose address is P. O. Box 1518, Roswell, New Mexico 88202-1518 hereby requests an exception to Rule 306 for permanent days or until , Yr , for the following described tank battery (or LACT): Name of Lease Liberty 4 #1 Name of Pool North Osudo Devonian Location of Battery: Unit Letter L Section 4 Township 20S Range 36E Number of wells producing into battery 1 API #30-025-35371 Based upon oil production of 17 barrels per day, the estimated \* volume B. of gas to be flared is \_\_\_\_\_\_MCF; Value \_\_\_\_\_\_ per day. Name and location of nearest gas gathering facility: C. DCP Midstream Distance 2 miles Estimated cost of connection \$168,000 D. This exception is requested for the following reasons: This well has very little solution gas, thus very little Ė. free gas is produced. Gas volume is uneconomical. OIL CONSERVATION DIVISION **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 believe Signature DISTRICT 1 SUPERVISOR Printed Name Title & Title David Luna, Petroleum Engineer SEP 2 1 2009 Date E-mail Address <u>dluna@read-stevens.com</u>

Telephone No. 575-622-3770

Date 09/08/2009

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