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

RECEIVED
SEP 21 2009
HOBBSOCD

NFO Permit No. I-918-E
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant Dakota Resources, Inc,

whose address is 4912 N. Midkiff, Midland, Texas 79705,

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

_____, Yr _____, for the following described tank battery (or LACT):

Name of Lease Warren Name of Pool Midway Devonian

Location of Battery: Unit Letter H Section 8 Township 17S Range 37E

Number of wells producing into battery one 30-025-26953

B. Based upon oil production of 5 barrels per day, the estimated * volume

of gas to be flared is <1 MCF; Value 3.00 per day.

C. Name and location of nearest gas gathering facility:

Duke Energy located @ tank battery

D. Distance None Estimated cost of connection +/- 8.00 / day

E. This exception is requested for the following reasons:

Gas Meter maintenance exceeds the gas revenue

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 Robert G. Turner

Printed Name & Title Robert G. Turner – Operations Engineer

E-mail Address bobt@dakotares.com

Date 9/17/2009 Telephone No. 432-697-3420

OIL CONSERVATION DIVISION

Approved Until Sept. 22, 2010

By Gary W. Hill

Title DISTRICT 1 SUPERVISOR

Date SEP 22 2009

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