

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
 Geological and Natural Resources
 Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

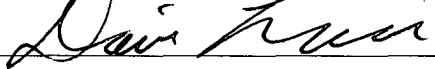
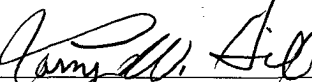
JAN 25 2011
 HOBBS
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Submit one copy to appropriate
District Office

NFO Permit No. 1-096-F
(For Division Use Only)

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant Read & Stevens, Inc.,
whose address is P. O. Box 1518, Roswell, NM 88202-1518,
hereby requests an exception to Rule 19.15.18.12 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
- B. Based upon oil production of 17 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value 0 per day.
- C. Name and location of nearest gas gathering facility:
DCP Midstream
- D. Distance 2 miles Estimated cost of connection \$168,000
- E. This exception is requested for the following reasons: This well has very little solution gas,
thus very little free gas is produced. Gas volume is uneconomical.

<p>OPERATOR</p> <p>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.</p> <p>Signature <u></u></p> <p>Printed Name & Title <u>David Luna, Operations Manager</u></p> <p>E-mail Address <u>dluna@read-stevens.com</u></p> <p>Date <u>1/24/2010</u> Telephone No. <u>575-622-3770</u></p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved Until <u>JAN. 24, 2012</u></p> <p>By <u></u></p> <p>Title <u>DISTRICT 1 SUPERVISOR</u></p> <p>Date <u>JAN 25 2011</u></p>
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* Gas-Oil ratio test may be required to verify estimated gas volume.