

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 October 15, 2009

Submit one copy to appropriate
District Office

NFO Permit No. I-662-U
(For Division Use Only)

JAN 25 2011

HOBBSDO

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A. Applicant Fasken Oil and Ranch, Ltd.

whose address is 303 W. Wall Street, Suite 1800, Midland, Texas 79701-5116

hereby requests an exception to Rule 19.15.18.12 for 365 days or until

January 31, Yr 2012, for the following described tank battery (or LACT):

Name of Lease Griffin Name of Pool McDonald Upper Penn Pool 44975

Location of Battery: Unit Letter A Section 04 Township 14S Range 36E

Number of wells producing into battery one (API # 30-025-23781)

B. Based upon oil production of 6 barrels per day, the estimated * volume

of gas to be flared is 1 (one) MCF; Value \$3.72 per day.

C. Name and location of nearest gas gathering facility:

WTG Gas Gathering, NW/4 of Section 5, T14S, R36E, Lea Co NM

D. Distance approx 1.5 miles Estimated cost of connection \$80,000

E. This exception is requested for the following reasons:

At current gas prices, pay out of the gas pipeline would be 59 years, (\$80,000/\$3.72/365=58.9),

making the project uneconomical. Permission to vent is requested.

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

Sheila Payne

Printed Name Sheila Payne

& Title Mrktg & Prod Acctg Manager

E-mail

Address sheilap@forl.com

Date 1/24/2011 Telephone No. 432-687-1777

OIL CONSERVATION DIVISION

Approved Until

JAN. 24, 2012

By

Cory W. Hill

Title

DISTRICT 1 SUPERVISOR

Date

JAN 27 2011

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