

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

JUL 27 2010

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 October 15, 2009

Submit one copy to appropriate
District Office

NFO Permit No. I-988-B
(For Division Use Only)

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 St, Suite 1800, Midland, Texas 79701

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

August 31, Yr 2011, for the following described tank battery (or LACT):

Name of Lease James O'Neill Name of Pool Morton; Wolfcamp

Location of Battery: Unit Letter E Section 7 Township 15S Range 35E

Number of wells producing into battery 1 (API # 30-025-27237 only)

B. Based upon oil production of 2 barrels per day, the estimated * volume

of gas to be flared is 11 MCF; Value \$49.50 per day.

C. Name and location of nearest gas gathering facility:

Targa Midstream

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: _____

Targa stopped taking the gas March 2008 as they have reached the maximum allowed H2S

recovery at their plant. WTG, the other option has also reached their limit and have therefore

declined to connected the well to their system. We are therefore requesting permission to vent.

FLARE!
[Signature]

SEE ATTACHED COA.

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 Marketing and Production Acctg Manager

E-mail Address sheilap@forl.com

Date 7/14/2010 Telephone No. 432-687-1777

OIL CONSERVATION DIVISION

Approved Until 9-5-2011

By *[Signature]*

Title STAFF MGR

Date 7-27-10

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

FASKIN OIL & RANCH, LTD

JAMES O'NEILL 30-025-27237

If well is within $\frac{1}{2}$ mile of any occupied dwelling or public right-of-way. you must have an auto ignition flare.

FLARES must be MANNED during all 'Red Flag' conditions.

H₂S warnings must be place at all 'Radius of Exposure' ACCESS points.

Caryll Hill

C-129 should include H₂S ppm.
and possible risk to human health.