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 March 17, 1999

Submit 3 Copies to appropriate District Office

NFO Permit No. (For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306 (See Rule 306 and Rule 1129)

Fasken Oil and Ranch, Ltd. Applicant _____ A. whose address is 303 West Wall, Suite 1800 Midland, TX 79701 hereby requests an exception to Rule 306 for _____permanent exception days or until ____, Yr ______, for the following described tank battery (or LACT): Galdiola (Devonian) Wingerd Name of Pool __ Name of Lease __ J Section 24 Township 12S Location of Battery: Unit Letter ____ Number of wells producing into battery _ 52 barrels per day, the estimated * volume Based upon oil production of _____ B. \$4.00 1.11____MCF; Value _____ _per day. of gas to be flared is _____ Name and location of nearest gas gathering facility: C. Dynegy meter run on location at battery __Estimated cost of connection __ D. Distance _____ This exception is requested for the following reasons: Dynegy will no longer gather E. gas volumes of 5 MCFPD or less due to the rising cost of gas measurement. The gas meter is being dis-connected on or before November 8, 2002. See attached letter from Dynegy. 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 Approved Until_ is true and complete to the best of my knowledge and belief. Signature_ Jimmy D. Carlile Printed Name Regulatory Affairs Coordinat Title Date NOV '- 5 2002 & Title 915 687-1777 Date 11/1/02 Telephone No.

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

Treed to termin te

Dynegy Midstream Services, Limited Partnership

6 Desta Drive, Suite 3300 Midland, Texas 79705 Phone 915.688.0555 • Fax 915.688.0552

October 29, 2002



Mrs. Dollene Thompson Fasken Oil & Ranch, Ltd. 303 West Wall Ave., Suite 1900 Midland, TX 79702-3178

Low Volume Meter(s) **SUBJECT:**

Gentlemen:

Due to the rising cost of gas measurement, it has become uneconomical for Versado to continue gathering gas from leases producing 5 MCFD or less. Our records indicate the following lease(s) averaged less than 5 MCFD for the past eight months.

METER:

146-9541

LEASE NAME:

Wingard #2, 5, 6, 10 & 13

MCFD:

1.11

CONTRACT NO:

003789

Please be advised that the above referenced meter(s) will be disconnected within 10 days. Should you rework this well at a later date or recomplete in another zone, please call us and we will at that time evaluate the volume to reconnect the well. We can usually get a meter back on location in a very short time.

We appreciate the dedication of this gas to Dynegy and if we can be of service in the future, please feel free to call. Dernastette Dillard

adette P. Dillard

ian - Com

Very truly yours,

Bernadette P. Dillard

Permian - Commercial/Supply

Phone: (915) 688-0558 (915) 688-0552 Fax:

Email: bernadette.dillard@dynegy.com