

RECEIVED

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

JUN 09 '88

O. C. D.  
ADDRESS OFFICE

NFO Permit No. 2-794  
(For Division Use Only)

A. Applicant, Reading & Bates Petroleum Co.

whose address is 2412 N. Grandview, Suite 201, Odessa, TX 79761

hereby requests an exception to Rule 306 for 14 days or until  
June 24, 19 88, for the following described tank battery (or LACT):

Name of Lease South Culebra Bluff Name of Pool E. Loving (Delaware)

Location of Battery: Unit Letter        Section 23 Township 23S Range 28E

Number of wells producing into battery 1

B. Based upon oil production of 140 barrels per day, the estimated volume  
of gas to be flared is 370 MCF; Value \$540 per day.

C. Name and location of the nearest gas gathering facility:

El Paso Pipeline - At location

D. Distance ----- Estimated cost of connection -----

E. This exception is requested for the following reasons:

The pipeline transporting this gas has developed a leak, causing the well to be shut-in. It is estimated that the line repair will require at least one more week. The break in the line occurred on 5-18-88 and we have been told by El Paso that it would be repaired within one week ever since. It has now been three weeks.

F. 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.

R. Douglas Keating  
R. Douglas Keating  
Assistant Division Engineer  
(Title)

June 7, 1988  
(Date)

Approved Until 6/24/88

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date JUN 09 1988

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