

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 June 10, 2003

Submit 3 Copies to appropriate
District Office

NFO Permit No. I- 987
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

30-025-37858

A. Applicant BC Operating

whose address is P.O. Box 50820 Midland, Texas 79710

hereby requests an exception to Rule 306 for 45

February 10, Yr 2007, for the following described tank battery (or ACT):

Name of Lease Jammer #1 Name of Pool Sanmal (Wolfcamp)

Location of Battery: Unit Letter P Section 21 Township 16S Range 33E

Number of wells producing into battery 1

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

of gas to be flared is Vent 50 MCF; Value \$300 per day.

C. Name and location of nearest gas gathering facility:

Dynegy

D. Distance 1.5 Miles Estimated cost of connection \$130,000

E. This exception is requested for the following reasons:

Waiting on pipeline connection

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 Tyna Carter

Printed Name & Title Tyna Carter (Regulatory Analyst)

E-mail Address Tyna.c@usaonline.net

Date 12-22-06 Telephone No. 432-684-9696

OIL CONSERVATION DIVISION

Approved Until 3/26/08

By Chris Williams

Title District Supervisor

Date 8/31/08

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