

DISTRICT II
P.O. Drawer DD, Arteria, NM 88211-0719

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

NFO Permit No. I-535-K
(For Division Use Only)

Submit 3 Copies to
Appropriate District Office

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

A. Applicant ELK OIL COMPANY

whose address is Post Office Box 310, Roswell, New Mexico 88202-0310

hereby requests an exception to Rule 306 for 365 days or until

December 4, 2001, for the following described tank battery (or LACT):

Name of Lease State "MX" Name of Pool Scharb Bone Springs

Location of Battery: Unit Letter D Section 15 Township 19S Range 35E

Number of wells producing into battery 1

B. Based upon oil production of 3 barrels per day, the estimated * volume

of gas to be flared is TSTM MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Phillips

D. Distance _____ Estimated cost of connection N/A

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

Uneconomical to connect gas.

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.

ELK OIL COMPANY

Signature _____

Printed Name & Title Joseph J. Kelly, President

Date 12/04/2000 Telephone No. (505)623-3190

OIL CONSERVATION DIVISION

Approved Until 12/14/01

By ORIGINAL SIGNATURE

Title GARY WINK

FIELD REP. II

Date _____

DEC 14 2000

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