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State of New Mexico Energy, Minerals and Natural Resources Department

Form C-134 Aug. 1, 1989

DISTRICT I P.O. Box 1980, Hobbs, NM 88241-1980

OIL CONSERVATION DIVISION P.O. Box 2088

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

Santa Fe, New Mexico 87504-2088

Permit No. (For Division Use Only)

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

APPLICATION FOR EXCEPTION TO DIVISION ORDER R-8952 FOR PROTECTION OF MIGRATORY BIRDS Rule 8(b), Rule 105(b), Rule 312(h), Rule 313, or Rule 711(D)

Operator Name: Pennzoil Exploration and Production Company

Operator Address: P.O. Box 2967, Houston, TX 77252

Lease or Facility Name VALDER CANYON 2919-071C Location C 07 29N 9E

Size of pit or tank: 20' x 40' 860 bbl

Operator requests exception from the requirement to screen, net or cover the pit or tank at the above-described facility.

X The pit or tank is not hazardous to migratory waterfowl. Describe completely the reason pit is non-hazardous. This pit will contain produced water from a coal methane well. The water is fresh and contains no liquid hydrocarbons.

1) If any oil or hydrocarbons should reach this facility give method and time required for removal: Hydrocarbon absorbent material will be stored at a central location for immediate use. Removal time--less than 24 hours.

2) If any oil or hydrocarbons reach the above-described facility the operator is required to notify the appropriate District Office of the OCD with 24 hours.

Operator proposes the following alternate protective measures:

CERTIFICATION BY OPERATOR: I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature Larry D. Williamson Title Superintendent of District Operations Date Printed Name Larry D. Williamson Telephone No. 505-376-2817

FOR OIL CONSERVATION DIVISION USE

Date Facility Inspected Inspected by

Approved by Title Date