

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-129
Revised 10-1-78

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

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

A. Applicant, Pennzoil Exploration and Production Company

whose address is P.O. Box 2967, Suite 10, Houston, Texas 77252

hereby requests an exception to Rule 306 for 180 ⁹⁰ days or until
September 30, 19⁸⁹, for the following described tank battery (or LACT):

Name of Lease Vermejo North Name of Pool 3-1

Location of Battery: Unit Letter D Section 18 Township 31N Range 18E

Number of wells producing into battery 1

B. Based upon oil production of _____ barrels per day, the estimated* volume
of gas to be flared is 10 MCFD ~~MCF~~ Value _____ per day.

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

D. Distance 75 miles Estimated cost of connection _____

E. This exception is requested for the following reasons:

To test potential of methane gas production from coal beds.

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.

[Signature]
(Signature) R. D. Osterhout
Project Manager
(Title)
4/18/89
(Date)

Approved Until July 28, 1989
NEW MEXICO OIL CONSERVATION DIVISION
By [Signature]
Title DISTRICT SUPERVISOR
Date 4-28-89

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