

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

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O. C. D.
ARTESIA, OFFICE

NFO Permit No. 2-775
(Commission Use Only)

A. Applicant, Hanson Operating Company, Inc.

whose address is P. O. Box #1515, Roswell, New Mexico 88202-1515

hereby requests an exception to Rule 306 for indefinite number of days or until _____, 19____, for the following described tank battery (or LACT):

Name of Lease Hanlad State Battery 1 Name of Pool Diablo San Andres
Well #4

Location of Battery: Unit Letter D Section 27 Township 10-S Range 27-E

Number of wells producing into battery 2

B. Based upon oil production of 35 barrels per day, the estimated (*) volume of gas to be flared is 13 MCF; Value \$10.00 per day.

C. Name and location of the nearest gas gathering facility:
Liquid Energy, Sec. 12, T. 10S, R. 28E, Chaves County, New Mexico

D. Distance 4 1/2 miles Estimated cost of connection \$25,000.00

E. This exception is requested for the following reasons:

Until additional reserves are discovered by drilling more wells, we feel that it is not economically feasible to lay this gas line until further production is obtained.

F. I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Brenda K. Godfrey
(Signature)
Production Analyst
(Title)
04/27/87
(Date)

Approved Until Further Notice
New Mexico Oil Conservation Commission
By Mike Williams
Title OIL AND GAS INSPECTOR
Date MAY 12 1987

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