

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

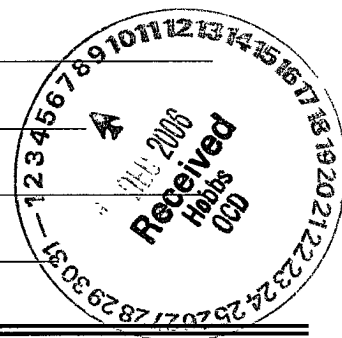
Submit 3 Copies to appropriate
District Office

NFO Permit No. I-827-14
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Energen Resources Corporation,
whose address is 3300 N. A Street, Bldg. 4, Ste. 100 Midland, TX 79705,
hereby requests an exception to Rule 306 for 365 days or until
December 31, Yr 2007, for the following described tank battery (or LACT):
Name of Lease State Q Name of Pool Saunders - San Andres
Location of Battery: Unit Letter K Section 4 Township 15S Range 33E
Number of wells producing into battery 2 (#1-L & 2-K)*
- B. Based upon oil production of 20 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value 0 per day.
- C. Name and location of nearest gas gathering facility:
N/A
- D. Distance N/A Estimated cost of connection N/A
- E. This exception is requested for the following reasons:
Gas volume too small to measure
*Both wells are vented at the same tank battery



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 Carolyn Larson

Printed Name & Title Carolyn Larson, Regulatory Analyst

E-mail Address clarson@energen.com

Date 12-4-06 Telephone No. 432/684-3693

OIL CONSERVATION DIVISION

Approved Until 12/12/07

By Harry W. Wink
Title OC FIELD REPRESENTATIVE / STAFF MANAGER

Date DEC 12 2006

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