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

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MAR 31 2008

HOBBS OCD

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-691-A_
(For Division Use Only)

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

A.   Applicant ____RAY A. PIERCE____,

whose address is _P. O. Box 1969; Eunice, NM 88231-1969_,

hereby requests an exception to Rule 306 for ____365____ days or until

_____, Yr ____, for the following described tank battery (or LACT):

Name of Lease __KORNEGAY__ Name of Pool __HOUSE SAN ANDRES__

Location of Battery: Unit Letter __F__ Section __13__ Township _20S_ Range __38E__

Number of wells producing into battery ____1____   30-025-29486

B.   Based upon oil production of ____3____ barrels per day, the estimated * volume

of gas to be flared is __NONE__ MCF; Value __$0.00__ per day.

C.   Name and location of nearest gas gathering facility:

Southern Union Gas Services (K) Sec. 13-T20S-R38E

D.   Distance __1,980'__ Estimated cost of connection _$19,800.00_

E.   This exception is requested for the following reasons: _Well does not produce_

enough to burn heater treater. Periodically have to purchase

propane to run gas engine. Gas purchaser will not lay gas

line to well due to no volume. There is no enviromental

pollution from this action.

OPERATOR	OIL CONSERVATION DIVISION
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.	Approved Until ___3/27/09___
Signature _Bill Pierce_	By _Chris Williams_
Printed Name & Title _Bill Pierce - Engineer_	Title OC DISTRICT SUPERVISOR/GENERAL MANAGER
E-mail Address _bill@pierceproduction.net_	Date APR 15 2008
Date 03/27/08 Telephone No. 423 570-6009	

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