

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

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

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

Submit 3 Copies to
Appropriate District Office

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

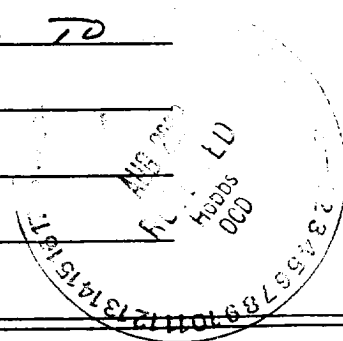
Form C-129
Revised 4-1-91

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

NFO Permit No. I-282-0
(For Division Use Only)

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

- A. Applicant CHI OPERATING LLC
whose address is PO Box 1799, MIDLAND TX 79702
hereby requests an exception to Rule 306 for 19 days or until
JAN 1 2003, for the following described tank battery (or LACT):
Name of Lease SANTA FE Name of Pool DOUGLAS SAN ANTONIO
Location of Battery: Unit Letter K Section 35 Township 10S Range 36E
Number of wells producing into battery 1
- B. Based upon oil production of 3 barrels per day, the estimated * volume
of gas to be flared is 1 MCF; Value 1.52 per day.
- C. Name and location of nearest gas gathering facility:
VERADO
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: CONNECTION TO
EAR - VOLUMES TOO SMALL



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 Oran Albright

Printed Name & Title ORAN ALBRIGHT - Supt.

Date 8-15-02 Telephone No. 915/684-0504

OIL CONSERVATION DIVISION

Approved Until 8/20/03

By PAUL F. KAUTZ

Title PETROLEUM ENGINEER

Date AUG 21 2002

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