

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 308

NFO Permit No. _____
(For Division Use Only)

A. Applicant, Pennzoil Company

whose address is P.O. Box 2967, Houston, TX 77252-2967

hereby requests an exception to Rule 308 for 365 days or until

December 31, 1988, for the following described tank battery (or LACT):

Name of Lease Van Bremmer 30-33 Name of Pool Vermejo

Location of Battery: Unit Letter J Section 30 Township 30N Range 19E

Number of wells producing into battery 1

B. Based upon oil production of 0 barrels per day, the estimated* volume
of gas to be flared is 30 MCF; Value \$30.00 per day.

C. Name and location of the nearest gas gathering facility:
Northern New Mexico Gas Company - Right of way along Interstate

D. Distance 25 + mi Estimated cost of connection \$1,250,000

E. This exception is requested for the following reasons:

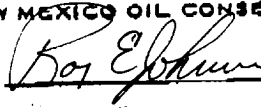
Coal seam gas test to establish if coal seam can be dewatered and if
gas can be produced in paying quantities.

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)
District Engineer
(Title)
3/1/88
(Date)

Approved Until December 31, 1988

NEW MEXICO OIL CONSERVATION DIVISION

By 

Title DISTRICT SUPERVISOR

Date 4-15-88

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