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OIL CONSERVATION DIVISION

P. O. BOX 2088

Form C-129
Revised 10-1-78

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
RECEIVED

SANTA FE, NEW MEXICO 87501

'89 NOV 27 AM 9 19 APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 13-A
(For Division Use Only)

A. Applicant, Pennzoil Exploration and Production Company,

whose address is P.O. Box 2967, Houston, Texas 77252,

hereby requests an exception to Rule 306 for 70 days or until

19, for the following described tank battery (or LACT):

Name of Lease VAN BREMER CANYON
3018-25312 Name of Pool W/LACT

Location of Battery: Unit Letter B Section 25 Township 30N Range 18E

Number of wells producing into battery 1

B. Based upon oil production of N/A barrels per day, the estimated * volume

of gas to be flared is 0 to 150 MCF; Value N/P per day.

C. Name and location of the nearest gas gathering facility:

Trinidad, Colorado

D. Distance 70 miles Estimated cost of connection \$9,500,000.00 for development project

E. This exception is requested for the following reasons:

Test the potential for production of coal methane from coal beds in the Raton and Vermejo formations.

GAS AND WATER RATES HAVE NOT STABILIZED;
CONTINUE TESTING

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]
(Signature)

Superintendent of District Operations

11-27-89
(Date)

Approved Until March 6, 1990

NEW MEXICO OIL CONSERVATION DIVISION

By [Signature]

Title REGIONAL SUPERVISOR

Date 12-4-89

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