

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 5-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 90-30 days or until
25 DEC, 19 89, for the following described tank battery (or LACT):

Name of Lease VAN BREMER CANYON 3019-312 E Name of Pool WILDCAT

Location of Battery: Unit Letter E Section 31 Township 30N Range 19E

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.

THIS WELL HAS NOT YET PUMPED OFF AND
REQUIRES ADDITIONAL 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

(Title)

11/15/89

(Date)

Approved Until 2-25-1990

NEW MEXICO OIL CONSERVATION DIVISION

By [Signature]

Title [Signature]

Date 11-17-89

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