

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

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. 2-954  
(For Division Use Only)

### APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

30-015-25812

- A. Applicant CHEVRON MIDCONTINENT, L.P.,  
whose address is P.O. Box 1949 Eunice, NM 88231,  
hereby requests an exception to Rule 306 for 45 days or until  
MARCH 31, Yr 2008, for the following described tank battery (or LACT):  
Name of Lease HARKEY 35 STATE #1 Name of Pool WILLOW LAKE; BONE SPRING, WEST POOL  
Location of Battery: Unit Letter J Section 35 Township 24S Range 27E  
Number of wells producing into battery 1
- B. Based upon oil production of 2 barrels per day, the estimated \* volume  
of gas to be flared is 80 MCF; Value 600<sup>00</sup> per day.
- C. Name and location of nearest gas gathering facility:  
SCP MIDSTREAM; COTTON LAWN LINE - GOES TO ZIA PLANT
- D. Distance 1 mile Estimated cost of connection CURRENTLY CONNECTED
- E. This exception is requested for the following reasons: THIS WELL WILL BE EVALUATED FOR  
INSTALLATION OF A COMPRESSOR. WE PLAN TO TAKE THIS WELL OFF PRODUCTION,  
INSTALL TEST EQUIPMENT TO FLOW THE WELL AGAINST 50 AND 100 PSI. THIS WILL  
DETERMINE THE FLOW RATES AGAINST THESE PRESSURES AND THE GAS WILL HAVE TO  
BE FLARED. WE WANT TO CONDUCT THIS TEST FOR APPROXIMATELY TWO WEEKS.

#### 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 [Signature]

Printed Name & Title Steve Jackson / Artificial Lift Rep.

E-mail Address SLJS @ CHEVRON. com

Date 2-5-8 Telephone No. 505-631-9046

#### OIL CONSERVATION DIVISION

Approved Until MARCH 31, 2008

By [Signature] Signed By Mike Brannon

Title Field Supervisor

Date FEB 13 2008

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