

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

JAN 19 '88

NFO Permit No. 2-191

(For Division Use Only)

A. Applicant, Quanico Oil & Gas, Inc.,
whose address is P.O. Box 1714, El Dorado, AR. 71730.
hereby requests an exception to Rule 306 for 180 days or until

June 1, 19 88, for the following described tank battery (or LACT):

Name of Lease Latham - State Name of Pool Brown - Queen - Grayburg

Location of Battery: Unit Letter P Section 25 Township 10-S Range 26-E

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 30 MCF; Value \$37.⁰⁰ per day.

C. Name and location of the nearest gas gathering facility: Sec. 25, T-10-S, R-25-E
McClellan - Pecos Slope Abo High Pressure Line

D. Distance 6 Estimated cost of connection \$20,000.⁰⁰

E. This exception is requested for the following reasons: We have farmed well out to Citi-Gas,
with an option to purchase, and they would like to run additional test
to determine the feasibility of laying a line to gather this gas.

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.

Douglas R. Alb
(Signature)
Vice-President
(Title)
1-13-88
(Date)

Gas must Be Flared
Approved Until July 19, 1988

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date JAN 19 1988