

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 2-789
(Commission Use Only)

A. Applicant, Hanson Operating Company, Inc.,
whose address is P. O. Box 1515, Roswell, New Mexico 88202-1515,
hereby requests an exception to Rule 306 for indefinite number of days or until
, 19, for the following described tank battery (or LACT):
Name of Lease Hanlad "B" State #2 Name of Pool Diablo San Andres
Location of Battery: Unit Letter A Section 28 Township 10S Range 27E
Number of wells producing into battery 1
B. Based upon oil production of 23 barrels per day, the estimated (*) volume
of gas to be flared is 12 MCF; Value approx. \$5.00 per day.
C. Name and location of the nearest gas gathering facility:
Liquid Energy, Sec.12,T.10S,R.28E, Chaves County, New Mexico
D. Distance 4-1/2 miles Estimated cost of connection \$25,000.00
E. This exception is requested for the following reasons:
Until additional reserves are discovered by drilling more wells,
we feel that it is not economically feasible to lay this gas
line until further production is obtained.

F. I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Brenda K. Godfrey
(Signature)
Production Analyst
(Title)
12/23/87
(Date)

Gas Must Be Flared

Approved Until Further Notice

New Mexico Oil Conservation Commission

By M. Williams

Title OIL AND GAS INSPECTOR

Date **DEC 31 1987**