

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410  
Submit 3 Copies to  
Appropriate District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

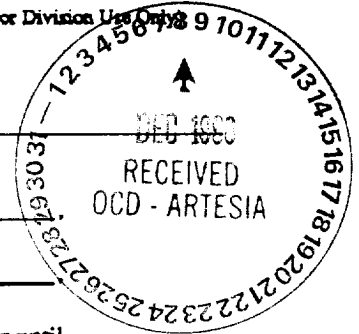
OIL CONSERVATION DIVISION  
2040 Pacheco St.  
Santa Fe, NM 87505

Form C-129  
Revised 4-1-91

NFO Permit No. 2-909

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306  
(See Rule 306 and Rule 1129)



- 28-015-30084
- A. Applicant Costilla Energy, Inc.  
whose address is P. O. Box 10369, Midland, TX 79702  
hereby requests an exception to Rule 306 for 1 year (365 days) days or until  
December 10, 19 99, for the following described tank battery (or LACT):  
Name of Lease Funk 49 #1 Name of Pool Logan Draw Canyon  
Location of Battery: Unit Letter L Section 33 Township 16S Range 26E  
Number of wells producing into battery 1
- B. Based upon oil production of 22 barrels per day, the estimated \* volume  
of gas to be flared is 18 MCF; Value 36.00 per day.
- C. Name and location of nearest gas gathering facility:  
Agave Energy company
- D. Distance 2200' - 2500' Estimated cost of connection \$25,000 - \$30,000
- E. This exception is requested for the following reasons: Uneconomical to tie into  
Agave's pipeline. There is no residence within 1/4 mile. There is  
no H2S in the gas.

MUST FLARE GAS NOW

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 Starla Russell

Printed Name  
& Title Starla Russell, Prod. Analyst

Date 12/03/98 Telephone No. 915-686-6060

OIL CONSERVATION DIVISION

Approved Until 12/10/99

By Jim W. Green B60

Title District Supervisor

Date 12/28/98

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