

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

RECEIVED

Cancel Eff. 8-5-77

JUN 15 1977

NFO Permit No. _____
(Commission Use Only)O. C. C.
ARTESIA, OFFICEA. Applicant, Marathon Oil Company,whose address is P. O. Box 2409, Hobbs, New Mexico 88240,hereby requests an exception to Rule 306 for 180 days or untilDecember 15, 1977, for the following described tank battery (or LACT):Name of Lease Arnquist Estate Name of Pool Undesignated (San Andres/Yeso)Location of Battery: Unit Letter B Section 29 Township 18S Range 26ENumber of wells producing into battery 3B. Based upon oil production of 59 barrels per day, the estimated (*) volume
of gas to be flared is 145 MCF; Value \$70 per day.

C. Name and location of the nearest gas gathering facility:

Phillips Petroleum CompanyD. Distance one mile Estimated cost of connection \$20,000

E. This exception is requested for the following reasons:

Allow continued production from Wells 2, 3, & 4. Contract negotiations are under way with Phillips at this time. It is requested that this C-129 be applied to all three wells (Nos. 2, 3, & 4) that are now being produced into the above mentioned battery.

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.

A. R. Kovacevic
(Signature)

Petroleum Engineer
(Title)

June 14, 1977
(Date)

Approved Until _____

New Mexico Oil Conservation Commission

By _____

Title _____

Date _____