

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 2-892

(For Division Use Only)

A. Applicant, Arch Petroleum, Inc.,
whose address is 10 Desta Drive, Suite 420E Midland, Texas 79705,
hereby requests an exception to Rule 306 for 90 days or until
October 3, 19 97, for the following described tank battery (or LACT):
Name of Lease McCall Name of Pool Atoka; Glorieta-Yeso
Location of Battery: Unit Letter M Section 24 Township 18S Range 26E
Number of wells producing into battery 1

B. Based upon oil production of 81 barrels per day, the estimated* volume
of gas to be flared is 66 MCF; Value _____ per day.

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

Yates Petroleum Compsny

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons:

Pipeline from the Sales Point to the battery is under construction
and should be completed within the next 60 to 90 days.

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.

Robert S. McCauley
(Signature)
Technical Assistant
(Title)
08/07/97
(Date)

Approved Until 11/1/97

NEW MEXICO OIL CONSERVATION DIVISION

By Jim W. Burn

Title District Supervisor

Date 9/10/97

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