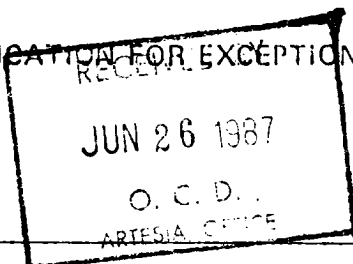


APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306



NFO Permit No. 2-779
(For Division Use Only)

- A. Applicant, DAMSON OIL CORPORATION,
whose address is 3300 N. "A", Bldg. 8, Suite 100, Midland, TX 79707,
hereby requests an exception to Rule 306 for 5 days or until
 , 19 , for the following described tank battery (or LACT):
Name of Lease Ligett Com. Name of Pool Four Mile Draw, W. (Morrow)
Location of Battery: Unit Letter J Section 6 Township 19S Range 26E
Number of wells producing into battery 1
- B. Based upon oil production of barrels per day, the estimated * volume
of gas to be flared is 400 MCF; Value \$600 per day.
- C. Name and location of the nearest gas gathering facility:
Gas Company of New Mexico
- D. Distance Estimated cost of connector Well is connected
- E. This exception is requested for the following reasons:
Line pressure at this well normally runs 540-560 psig. This well is not
capable of unloading itself if required to flow into the sales line. Damson
is requesting an exception to Rule 306 for five days to perform a vent test to
evaluate the well to see if compression will be feasible and to see how much
water it will make, if it can unload at all without swabbing.
- 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.

Brent J. Lowery
(Signature)
Production Technician
(Title)
6/24/87
(Date)

Gas Must Be Flared

Approved Until	<u>July 10, 1987</u>
NEW MEXICO OIL CONSERVATION DIVISION	
By	<u>Mik Williams</u>
Title	<u>OIL AND GAS INSPECTOR</u>
Date	<u>JUL - 2 1987</u>

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