

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 2-742
(For Division Use Only)

- A. Applicant, Sun Exploration & Production Company,
whose address is P.O. Box 1861, Midland, Texas 79702,
hereby requests an exception to Rule 306 for _____ days or until
January 1, _____, 19 86, for the following described tank battery (or LACT):
Name of Lease Magnolia State Name of Pool Und. Artesia O (Grbg) SA
Location of Battery: Unit Letter N Section 6 Township 19-S Range 28-E
Number of wells producing into battery 1
- B. Based upon oil production of 12 barrels per day, the estimated * volume
of gas to be flared is too small to measure MCF; Value -- per day.
- C. Name and location of the nearest gas gathering facility:
Phillips Pipeline Company Sec. 6, T-19-S, R-28-E.
- D. Distance 5600' Estimated cost of connection \$7,000.00
- E. This exception is requested for the following reasons:
Uneconomic to connect after operating expense. The payout to break even
is estimated at 3 years.

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ARTESIA, OFFICE

- 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.

Die Ann Kimb
(Signature)
Associate Accountant
(Title)
1/28/86
(Date)

Approved Until Further Notice

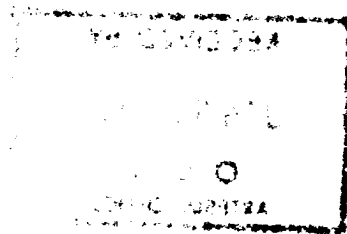
NEW MEXICO OIL CONSERVATION DIVISION

By Mike Walker

Title OIL AND GAS INSPECTOR

Date JAN 30 1986

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



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