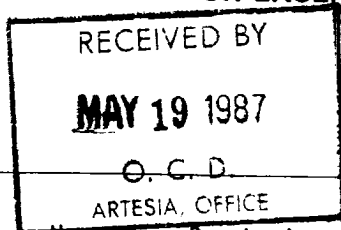


APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306



NFO Permit No. 2-777
(For Division Use Only)

- A. Applicant, Nearburg Producing Company,
whose address is P. O. Box 31405 - Dallas, TX 75231-0405,
hereby requests an exception to Rule 306 for 183 days or until
Further Notice, ~~XXXXXX~~ for the following described tank battery (or LACT):
Name of Lease Stevenson #1 Name of Pool Atoka Glorieta Yeso
Location of Battery: Unit Letter E Section 4 Township 19S Range 26E
Number of wells producing into battery 1
- B. Based upon oil production of 11.57 barrels per day, the estimated * volume
of gas to be flared is 20.1 MCF; Value _____ per day.
- C. Name and location of the nearest gas gathering facility:
Phillips Petroleum
- D. Distance ±7800' NE Estimated cost of connection _____
- E. This exception is requested for the following reasons:

We approached Phillips Petroleum for a gas connection. They informed us that based on today's gas prices a gas hook-up for this small volume would not be economical.

- 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.

T. R. MacDonald
(Signature)

Engineering Manager
(Title)

May 15, 1987
(Date)

Gas Must Be Flared - Flare 30' above Ground

Approved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date MAY 20 1987