

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Aztec, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

Submit 3 Copies to
Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Depn. nt

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

NFO Permit No. 2-876
(For Division Use Only)

Form C-129
Revised 4-1-91

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Costilla Energy, Inc.
whose address is 400 West Illinois, Suite 1000, Midland, TX 79701
hereby requests an exception to Rule 306 for 60 days or until
March 23, 19 97, for the following described tank battery (or LACT):
Parkchester 24
Name of Lease State #1 Name of Pool Unknown
Location of Battery: Unit Letter J Section 24 Township 19-S Range 28-E
Number of wells producing into battery 1
- B. Based upon oil production of 66 barrels per day, the estimated * volume
of gas to be flared is 33 MCF; Value \$66.00 per day.
- C. Name and location of nearest gas gathering facility:
LG & E Natural, Inc. - Llano System
- D. Distance 5 mi. West Estimated cost of connection \$2,000.00
- E. This exception is requested for the following reasons: Safety concern, due to
elevated H2S content of vented gas while testing well.

OPERATOR

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.

Signature Aaron B. Wilson Jr.

Printed Name
& Title Aaron B. Wilson, Jr.
Environmental & Safety Coordinator
Date 01/23/97 Telephone No. 915/683-3092

OIL CONSERVATION DIVISION

Approved Until 3/24/97

By Jim W. Gunn

Title District Supervisor

Date 3/3/97

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