

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

DISTRICT II
P.O. Drawer DD, Artesia, 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 Department

OIL CONSERVATION DIVISION

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

Form C-129
Revised 4-1-91

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

A. Applicant Conoco Inc.

whose address is 10 Desta Dr. Ste. 100W, Midland, Tx. 79705-4500

hereby requests an exception to Rule 306 for _____ days or until

May 21, 19 97, for the following described tank battery (or LACT):

Name of Lease Serano Federal #1 Name of Pool No. Dagger Draw Uprr Penn

Location of Battery: Unit Letter M Section 11 Township 19S Range 25E

Number of wells producing into battery 1

B. Based upon oil production of 540 barrels per day, the estimated * volume
of gas to be flared is 345 MCF; Value 603.75 per day.

C. Name and location of nearest gas gathering facility:

Conoco Gas Sales Line to GPM..

D. Distance 4 miles Estimated cost of connection NA

E. This exception is requested for the following reasons: Estimate that it will take 2 to 3 months to
connect the well to the gas sales system. This includes time to negotiate a gas contract, obtain the
necessary right-of-way approvals and the actual installation of the gathering line.

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 Bill R. Keathly

Printed Name
& Title Bill R. Keathly, Sr. Regulatory Specialist

Date 2-27-97 Telephone No. 915-686-5424

OIL CONSERVATION DIVISION

Approved Until _____

By _____

Title _____

Date _____

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