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MAR 30 '89

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

O. C. D.  
ARTESIA, OFFICE

NFO Permit No. 2-809  
(For Division Use Only)

- A. Applicant, TXO Production Corp.,  
whose address is 415 W. Wall, Suite 900 Midland, TX. 79701,  
hereby requests an exception to Rule 306 for 180 days or until  
10/3  
January 1, 19 89, for the following described tank battery (or LACT):  
Name of Lease City of Carlsbad Name of Pool S. Carlsbad (Delaware)  
Location of Battery: Unit Letter 0 Section 13 Township 22-S Range 26-E Eddy Co.  
Number of wells producing into battery 1
- B. Based upon oil production of 13 barrels per day, the estimated volume  
of gas to be flared is 41 MCF; Value \$35.57 per day.
- C. Name and location of the nearest gas gathering facility:  
See E
- D. Distance See E Estimated cost of connection See E
- E. This exception is requested for the following reasons:

The casinghead gas is currently being compressed down a 200 psi gas line. The cost of compression is greater than the gas revenue from the well. There is no other economic option but to produce the oil and vent the gas.

- 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.

Tim Fondeau  
(Signature)  
Drilling and Production Engineer  
(Title)  
3-29-89  
(Date)

Gas Must Be Flared

Approved Until 10/3/89

NEW MEXICO OIL CONSERVATION DIVISION

By Original Signed By  
Mike Williams

Title \_\_\_\_\_

Date APR 12 1989