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S. E. D.
ARTESA OFFICE

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. _____

(For Division Use Only)

A. Applicant, Jelly O. G. Co
Texas USA

whose address is PO Box 730 Hobbs, NM 88240

hereby requests an exception to Rule 306 for 30 days or until

19 85, for the following described tank battery (or LACT):

Name of Lease IB 32 State #1Y Name of Pool Indian Basin Upper Penn

Location of Battery: Unit Letter M Section 32 Township 21S Range 24E

Number of wells producing into battery (1) (New completion, frac tanks only)

B. Based upon oil production of 30 barrels per day, the estimated volume

of gas to be flared is 700 MCF; Value \$3.50/MCF or \$2450 per day.

C. Name and location of the nearest gas gathering facility:

Marathon Indian Basin Line

D. Distance 1.8 Estimated cost of connection \$300,000

E. This exception is requested for the following reasons: Due to the remote location and operational difficulties permanent surface facilities for this location is estimated at \$700,000. More flow data is needed to size and evaluate production facilities for the well. A 1 month flare order is requested to evaluate the well and our options in the installation of permanent facilities.

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.

[Signature]
(Signature)

Area Superintendent
(Title)

March 8, 1985
(Date)

Approved Until _____

Denied

NEW MEXICO OIL CONSERVATION DIVISION

By [Signature]

Title OIL AND GAS INSPECTOR

Date MAR 8 1985
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