

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 Louis Dreyfus Natural Gas Corp,  
whose address is 14000 Quail Springs Pkwy Suite 600, Oklahoma City, OK 73134  
hereby requests an exception to Rule 306 for 90 days or until  
February 23, 7/1, 1995, for the following described tank battery (or LACT):  
Name of Lease Sheep Draw Federal #3 Name of Pool Happy Valley (Delaware)  
Location of Battery: Unit Lener F Section 33 Township 22S Range 26E  
Number of wells producing into battery 1
- B. Based upon oil production of 64 barrels per day, the estimated \* volume  
of gas to be flared is 33 MCF; Value \$46.20 per day.
- C. Name and location of nearest gas gathering facility:

Well is connected to Llano

- D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_

- E. This exception is requested for the following reasons: Well has H2S Content of 400 ppm  
and costs \$61/day to chemically treat the H2S. Expense to treat  
the gas to sales quality exceeds the value of sales. Operator will  
utilize automatic flare ignitor.

RECEIVED

MAR 17 1995

OIL CON. DIV.  
DIST. 2

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 Kenton L. Sams

Printed Name  
& Title Kenton L. Sams, Production Engineer

Date 02/23/95 Telephone No. (405) 749-1300

OIL CONSERVATION DIVISION

Approved Until 7/1/95

By ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Title \_\_\_\_\_

Date MAR 30 1995

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