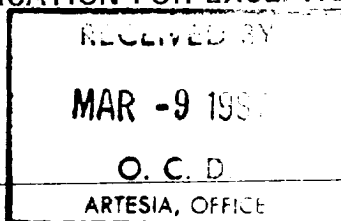


APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306



NFO Permit No. 2 770
(Commission Use Only)

- A. Applicant, Texaco Producing Inc.,
whose address is PO Box 728, Hobbs, New Mexico 88240,
hereby requests an exception to Rule 306 for 1095 days or until
February 27,, 19 90, for the following described tank battery (or LACT):
Name of Lease Todd 2 State Name of Pool Undesignated Bone Springs
Location of Battery: Unit Letter F Section 2 Township 24-S Range 31-E
Number of wells producing into battery 1
- B. Based upon oil production of 50 barrels per day, the estimated (*) volume
of gas to be flared is 65 MCF; Value \$98 per day.
- C. Name and location of the nearest gas gathering facility:
Natural Gas Pipeline Company of America
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons:

The pipeline company operates its pipeline at a pressure of 580 psi.
The subject well was potential tested on January 14, 1987 for 27 BOPD
and 14 BWPD with a flowing tubing pressure of 100 psi. Since the
subject well cannot produce into the pipeline under existing conditions,
it is necessary to flare the gas.

- F. I hereby certify that the rules and regulations of the Oil
Conservation Commission have been complied with and
that the information given above is true and complete to
the best of my knowledge and belief.

J. A. Head
(Signature)
Hobbs Area Superintendent
(Title)
February 27, 1987
(Date)

Vent line must be 30' above ground

Approved Until 2/27/90

New Mexico Oil Conservation Commission

By

Mike Williams

Title OIL AND GAS INSPECTOR

Date MAR 17 1987

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

RECEIVED
MAR 6 1987
OCD
HOBBS OFFICE