

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. 2-860

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant MARALO, INC.

whose address is P. O. BOX 832, MIDLAND, TX 79702

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

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

Name of Lease PICKETT DRAW FEDERAL Name of Pool WILLOW LAKE; BONE SPRING, SE

Location of Battery: Unit Letter C Section 9 Township 25S Range 29E

Number of wells producing into battery 1

B. Based upon oil production of 10 barrels per day, the estimated * volume of gas to be flared is 12 MCF; Value \$17.50 per day.

C. Name and location of nearest gas gathering facility:

SID RICHARDSON GASOLINE COMPANY PIPELINE

D. Distance 4 MILES SOUTH Estimated cost of connection **\$130,000**

E. This exception is requested for the following reasons:

GAS SALES DO NOT COVER COMPRESSION COSTS WHICH WILL LEAD TO PREMATURE ABANDONMENT

OF THE WELL. VENTING IS NECESSARY TO PROTECT CORRELATIVE RIGHTS AND PREVENT WASTE.

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 Wendee Logan

Printed Name
& Title **DOROTHEA LOGAN, REGULATORY ANALYST**

Date 11/17/95 Telephone No. (915) 684-7441

OIL CONSERVATION DIVISION

Approved Until As Requested

By Harold Green

Title *WILLIAMS, R. B. / THE T. H.*

Date NOV 27 1995

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