

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

CSF
OP

Form C-129
Revised 4-1-91

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

2040 Pacheco St.
Santa Fe, NM 87505

NFO Permit No. _____
(For Division Use Only)

Submit 3 Copies to
Appropriate District Office

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and rule 1129)

- A. Applicant Santa Fe Energy Resources, Inc.
whose address is 550 W. Texas, Suite 1330, Midland TX 79701
hereby requests an exception to Rule 306 for 271c 385 days or until
October 1, 19 99, for the following described tank battery (or LACT):
Name of Lease Chaparral "10" Name of Pool Undesignated (Delaware)
Location of Battery: Unit Letter F Section 10 Township 25S Range 28E
Number of wells producing into battery One (1)
- B. Based upon oil production of 60 barrels per day, the estimated * volume
of gas to be flared is 50 MCF; Value \$ 75.00 per day.
- C. Name and location of nearest gas gathering facility:
LG&E
- D. Distance 1-1/2 miles Estimated cost of connection \$125,000
- E. This exception is requested for the following reasons: There are no low pressure gas lines
in the vicinity of this well.

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 Terry McCullough

Printed Name
& Title Sr. Production Clerk

Date 10/15/98 Telephone No. 915/686-6612

OIL CONSERVATION DIVISION

Approved Until June 18, 1999

By Jim W. Green

Title District Supervisor

Date 11-18-98

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