

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

Form C-129
Revised 4-1-91

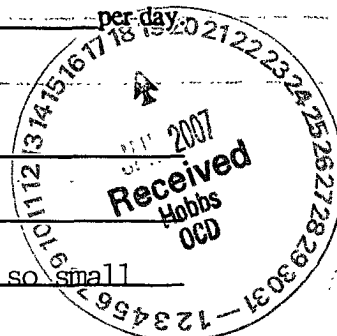
OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

NFO Permit No. I-900-D
(For Division Use Only)

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

- A. Applicant Premier Oil & Gas, Inc.
whose address is P.O. Box 1246 (422 W. Main), Artesia, NM 88211-1246
hereby requests an exception to Rule 306 for 1 1/2 years _____ days or until
_____, 19 _____, for the following described tank battery (or LACT):
Name of Lease State H-22 Name of Pool Vacuum Grayburg-San Andres
Location of Battery: Unit Letter 0 Section 22 Township 17 Range 34
Number of wells producing into battery One (30-025-02064)
- B. Based upon oil production of 2 barrels per day, the estimated * volume
of gas to be flared is TSM MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
Conoco, Inc.
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: The volume of gas is so small
that no gas purchaser would be willing to hook up.



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 Rosalie Jones

Printed Name
& Title Rosalie Jones, President

Date 01/10/07 Telephone No 505-748-2093

OIL CONSERVATION DIVISION

Approved Until 1/26/08

By Larry W. Wink

Title OC FIELD REPRESENTATIVE II/STAFF MANAGER

Date JAN 20 2007

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