

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised June 10, 2003

Submit 3 Copies to appropriate
District Office

NFO Permit No. E-282-5
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

30-025-25669

A. Applicant MAR OIL & GAS CORP,
whose address is PO BOX 5155, SANTA FE NM 87502,
hereby requests an exception to Rule 306 for 365 days or until
, Yr , for the following described tank battery (or LACT):

Name of Lease SANTA FE NO. 4 Name of Pool SAN ANDRES

Location of Battery: Unit Letter K Section 35 Township 10S Range 36E

Number of wells producing into battery ONE

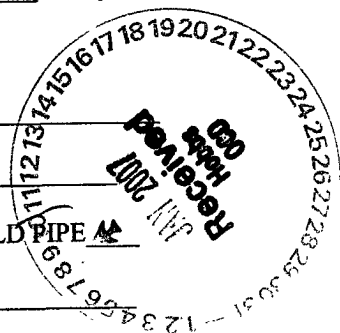
B. Based upon oil production of 3 barrels per day, the estimated * volume
of gas to be flared is 3 MCF; Value \$6.00 per day.

C. Name and location of nearest gas gathering facility:

DYNEGY

D. Distance 5 MILES Estimated cost of connection \$150,000

E. This exception is requested for the following reasons: NOT FEASIBLE TO BUILD PIPE
LINE FOR GAS



<p>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.</p> <p>Signature <u>Billy E. Prichard</u></p> <p>Printed Name & Title <u>Billy E. Prichard Prod Supr</u></p> <p>E-mail Address <u>shabilliron01@warpdrive.com</u></p> <p>Date <u>01/3/07</u> Telephone No. <u>505 390-9100</u></p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved Until <u>1/12/08</u></p> <p>By <u>Larry W. Wink</u></p> <p>Title <u>OC FIELD REPRESENTATIVE II/STAFF MANAGER</u></p> <p>Date <u>JAN 12 2007</u></p>
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* Gas-Oil ratio test may be required to verify estimated gas volume.