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. _______

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129) Applicant ConocoPhillips Company (#217817) A. whose address is 3300 N. "A" St., Bldg. 6 #247, Midland, TX 79710 hereby requests an exception to Rule 306 for ______ days or until Yr 2008, for the following described tank battery (or LACT): Name of Lease Leamex Btry #7 (Leamex # 21) Name of Pool Leamex; Paddock Location of Battery: Unit Letter N Section 22 Township 17S Range 33E 30-025-27978 Number of wells producing into battery ____3 30-025 Based upon oil production of ______barrels per day, the estimated * volume В. of gas to be flared is 17 MCF; Value _____ Name and location of nearest gas gathering facility: C. Distance _____Estimated cost of connection ____ D. This exception is requested for the following reasons: E. Duke (DEFS) is not accepting the gas from Btry # 7 because of the CO₂ content (presently 40%) ConocoPhillips is presently working to find an alternative option for the gas OIL CONSERVATION DIVISION **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief. Signature OC FIELD REPRESENTATIVE IVSTAFF MANAGER Printed Name Title

Date

Telephone No. 432-688-6884

& Title Celeste G. Dale, Regulatory Specialist

Address celeste.g.dale@conocophillips.com

E-mail

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

Form 3160-5 (April 2004)

UNITEDSTATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

| FORMAPPROVED | |
|--------------------|-----|
| OM B No. 1004-0137 | |
| Expires: March 31, | 200 |

5. Lease Serial No.

| L | \sim | \sim | ~ 4 | 2 | 7-K |
|---|--------|--------|----------|---|-----|
| | | LL-S | 1-12 | | ΄ Α |

6. If Indian. Allottee or Tribe Name

| Do not use this form for proposals to drill or to re- | enter an |
|---|----------|
| abandoned well. Use Form 3160-3 (APD) for such pr | oposals. |
| | |

| | nis form for proposals to drill or ell. Use Form 3160-3 (APD) for s | | o. Il molali, Amortee of Tribe Fullio | |
|--|---|--|---|--|
| SUBMIT IN TR | 7. If Unit or CA/Agreement, Name and/or No. | | | |
| 1 Type of Well X OilWell | 8. Well Name and No. | | | |
| 2. Name of Operator Conoco Phillips Company | MCA Unit Battery #4 9. API Well No. | | | |
| 3a. Address | | lo.(include area code) | 30-025- | |
| 3300 N. "A" Street, Bldg. | 10. Field and Pool, or Exploratory Area | | | |
| 4. Location of Well (Footage, Se | ec., T., R., M., or Survey Description) | | | |
| UL "A", Sec. 21, T-17-S, | R-32-E | 1 | 11. County or Parish, State | |
| _ | | | Lea New Mexico | |
| 12. CHECK A | PPROPRIATE BOX(ES)TO INDICATE | NATURE OF NOTICE, I | REPORT, OR OTHER DATA | |
| TYPE OF SUBMISSION | | TYPEOF ACTION | | |
| Notice of Intent Subsequent Report | Acidize Deepen AlterCasing FractureT Casing Repair New Con Change Plans Plug and A | struction Recomplete | Well Integrity X Other Flare Gas | |
| Final Abandonment Notice | Convert to Injection Plug Back | | 1 1 | |
| Attach the Bond under which following completion of the in testing has been completed. Fi determined that the site is read | the work will be performed or provide the Bond I avolved operations. If the operation results in a mu- mal Abandonment Notices shall be filed only after by for final inspection.) | No. on file with BLM/BIA. Requilitiple completion or recompletion rall requirements, including recla | true vertical depths of all pertinent markers and zones. uired subsequent reports shall be filed within 30 days in a new interval, a Form 3160-4 shall be filed once umation, have been completed, and the operator has ntent. The attached listing includes the | |
| Request 1-yr. authority | to flare gas. | | 262728293037 | |
| SUBJECT APPROVA | LBY STATE SEF | ATTACHED FUNDITIONS OF A | Rec He | |
| 14. I hereby certify that the fore Name (Printed/Typed) | going is true and correct | | -armor | |
| Celeste G. Dale | | Title Regulatory Spe | ecialist | |
| Signature | to A Sal. | Date 02/16/07 | | |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE ALTE Title Approved by _ _ _ _ _ _ _ _ _ _ Date Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease Office **MAR** which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. FREDERICK WRIGHT PETROLI-UM ENGINEER

(Instructions on page 2)