

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. I-979
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant ConocoPhillips Company (#217817),

whose address is 3300 N. "A" St., Bldg. 6 #247, Midland, TX 79710,

hereby requests an exception to Rule 306 for 1 yr. days or until

March, 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

Number of wells producing into battery 3 30-025-27978 30-025-30078
30-025-26222 30-025-26759

B. Based upon oil production of 11 barrels per day, the estimated * volume

of gas to be flared is 17 MCF; Value per day.

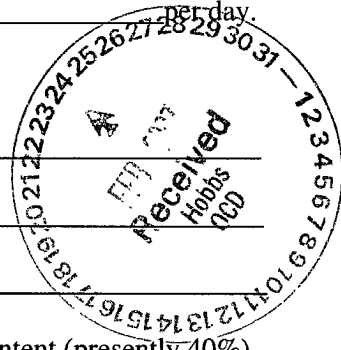
C. Name and location of nearest gas gathering facility:

D. Distance Estimated cost of connection

E. This exception is requested for the following reasons:

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



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 Celeste G. Dale

Printed Name
& Title Celeste G. Dale, Regulatory Specialist

E-mail
Address celeste.g.dale@conocophillips.com

Date 02/19/07 Telephone No. 432-688-6884

OIL CONSERVATION DIVISION

Approved Until 2/7/08

By Larry W. Wink
Title OC FIELD REPRESENTATIVE IV/STAFF MANAGER

Date MAR 07 2007

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HORRS

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
ConocoPhillips Company3a. Address 3b. Phone No. (include area code)
3300 N. "A" Street, Bldg. 6 #247 Midland TX 79705 (432)688-68844. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL "A", Sec. 21, T-17-S, R-32-E

5. Lease Serial No.

LC-030437A State

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NM 70987 A

8. Well Name and No.

MCA Unit Battery #4

9. API Well No.

30-025-

10. Field and Pool, or Exploratory Area

11. County or Parish, State

Lea
New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Flare Gas |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Frontier Gas Plant has shut-in the Maljamar Battery #4 due to high CO2 content. The attached listing includes the affected wells.

Request 1-yr. authority to flare gas.

SUBJECT TO LIKE
APPROVAL BY STATE

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Celeste G. Dale

Title Regulatory Specialist

Signature

Date

02/19/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|--------------|------------|
| Approved by _____ | Title _____ | 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 which would entitle the applicant to conduct operations thereon. | Office _____ | MAR 1 2007 |
| 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 PETROLEUM ENGINEER | | |

(Instructions on page 2)

GWW