

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

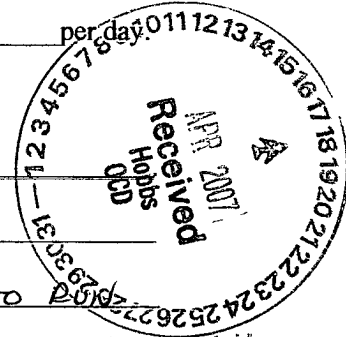
Submit 3 Copies to appropriate
District Office

NFO Permit No. I 655 P
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- 30-025-29277
30-025-29499
30-025-29639
30-025-29758
- A. Applicant The Colborn Company Inc.
whose address is 524 TEXAS AVE. - P.O. Box 1804 EUNICE, NM. 88531
hereby requests an exception to Rule 306 for INDEFINITE days or until
April 30, Yr 2008, for the following described tank battery (or LACT):
Name of Lease SAN SIMON STATE #1 Name of Pool SAN SIMON YATES
Location of Battery: Unit Letter D Section 4 Township 22S Range 35E
Number of wells producing into battery 4
- B. Based upon oil production of 9 barrels per day, the estimated * volume
of gas to be flared is 2 MCF; Value \$5.00 per day.
- C. Name and location of nearest gas gathering facility:
DCP Midstream, 1/4 of a mile away
- D. Distance 1415 Feet Estimated cost of connection \$14,500.00
- E. This exception is requested for the following reasons: UNECONOMICAL to
gas line



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 Rance Colborn

Printed Name & Title RANCE COLBORN - PRESIDENT

E-mail Address LMACHIN@MSD.COM

Date 4-16-07 Telephone No. 505-394-2463

OIL CONSERVATION DIVISION

Approved Until 4/23/08

By Mary W. Wink

Title STAFF MANAGER

Date 4/23/07

APR 23 2007

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