

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

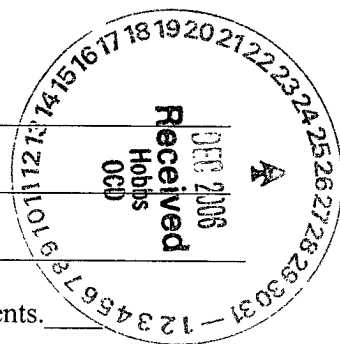
Submit 3 Copies to appropriate  
District Office

NFO Permit No. I-853-6  
(For Division Use Only)

**APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306**

(See Rule 306 and Rule 1129)

- A. Applicant Energen Resources Corporation,  
whose address is 3300 N. A St., Bldg. 4, Ste. 100, Midland, TX 79705,  
hereby requests an exception to Rule 306 for 365 days or until  
December 31, Yr 2007, for the following described tank battery (or LACT):  
Name of Lease Hodge #1 Name of Pool Trinity (Devonian)  
Location of Battery: Unit Letter M Section 27 Township 12S Range 38E  
Number of wells producing into battery 1 30-025-34100
- B. Based upon oil production of 25 barrels per day, the estimated \* volume  
of gas to be flared is TSTM MCF; Value None per day.
- C. Name and location of nearest gas gathering facility:  
Dynegy
- D. Distance 800' Estimated cost of connection \$13,000
- E. This exception is requested for the following reasons:  
Gas volume not sufficient to meet Dynegy's minimum volume requirements.



**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 Carolyn Larson

Printed Name  
& Title Carolyn Larson, Regulatory Analyst

E-mail Address clarson@energen.com

Date 12/18/06 Telephone No. 432/684-3693

**OIL CONSERVATION DIVISION**

Approved Until 12/26/07

By Harry W. Wink

Title OC FIELD REPRESENTATIVE II/STAFF MANAGER

Date \_\_\_\_\_

DEC 26 2006

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