

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-548-N
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant CNI OPERATING INC
whose address is PO Box 1799, MIDLAND TX 79702
hereby requests an exception to Rule 306 for 365 days or until
11, 16, Yr 2007 for the following described tank battery (or LACT):
Name of Lease STATE 8 Name of Pool CHAVARRO SAN ANDRES
Location of Battery: Unit Letter 1 Section 8 Township 7S Range 34E
Number of wells producing into battery 1 30-041-20707
- B. Based upon oil production of / barrels per day, the estimated * volume
of gas to be flared is TSM MCF; Value TSM per day.
- C. Name and location of nearest gas gathering facility:
NA
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: GAS IS TOO SMALL
TO MEASURE

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 [Signature]

Printed Name & Title OREN ALDRICH - Supv.

E-mail Address _____

Date 10-23-06 Telephone No. 432-685-5001

OIL CONSERVATION DIVISION

Approved Until 10/26/06

By Mary W. Wink

Title OC FIELD REPRESENTATIVE / SUPERVISOR

Date _____

OCT 26 2006

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