

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. 2-932
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant: Marbob Energy Corporation

whose address is P.O. Box 227 Artesia, NM 88211-0227

hereby requests an exception to Rule 306 for 30 days or until

December 15, Yr 2003, for the following described tank battery
(or LACT):

Name of Lease Francis Fee #1 and Louise Fee #1 Name of Pool
Delaware

Location of Battery: Unit Letter E Section 10 Township 22 Range 27

Number of wells producing into battery Louise will be laid over to Francis location but go through separate facilities.

B. Based upon oil production of 50 combined barrels per day, the estimated * volume

of gas to be flared is 50 combined MCF; Value \$2675 per day.

C. Name and location of nearest gas gathering facility:

Baby Ruth Fee #2 1980' FNL, 1090' FWL 10-22S-27E

D. Distance 1,000 feet Estimated cost of connection
\$25,000

E. This exception is requested for the following reasons: In order to test the wells to evaluate reserves, and to determine if necessary the size of compression for the casing head gas production.

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 _____

Printed Name
& Title Michael Wadkins, Marketing Director

E-mail Address marketing@marbob.com

Date 11/5/03 Telephone No. 748-3303

OIL CONSERVATION DIVISION

Approved Until 12-15-03

By [Signature]

Title Field Rep ID

Date 11-12-03