STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-129
Revised 10-1-78

C/SF
Operator

RECEIVED BY
NOV 15 1985
O. C. D.
ARTESIA, OFFICE

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 2-731
(For Division Use Only)

A. Applicant, N. Dale Nichols,

whose address is P.O. Box 1972 Midland, Texas 79702-1972,

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

_____, 19___, for the following described tank battery (or LACT):

Name of Lease Alma Shields. Name of Pool Acme (San Andres)

Location of Battery: Unit Letter M Section 33 Township 7S Range 27E

Number of wells producing into battery 6

B. Based upon oil production of 30 barrels per day, the estimated volume

of gas to be flared is 11 MCF; Value $15.75 per day.

C. Name and location of the nearest gas gathering facility:

Pecos River Gas Plant Ltd Sec 30-7S-29E

D. Distance 7½ Estimated cost of connection $125,000.00

E. This exception is requested for the following reasons:

1) The economics for installing 7½ miles of line to gather such small volumes is prohipitive.

2) No incress in volume is anticipated without additional development.

F. 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.

N Dale Nichols
(Signature)

Operator
(Title)

10-24-85
(Date)

Approved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date NOV 15 1985

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