

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 March 17, 1999

Submit 3 Copies to appropriate
District Office

NFO Permit No. 2-926
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- 30-015-23708
- A. Applicant Devon Energy Production Company, L.P.,
whose address is 20 North Broadway, Suite 1500, OKC, OK 73102-8260,
hereby requests an exception to Rule 306 for 365 days or until
--, Yr --, for the following described tank battery (or LACT):
Name of Lease Hondo Sinclair State Com. #1 Name of Pool _____
Location of Battery: Unit Letter G Section 28 Township 18S Range 28E
Number of wells producing into battery one
- B. Based upon oil production of 10 barrels per day, the estimated * volume
of gas to be flared is 4 MCF; Value \$12 per day.
- C. Name and location of nearest gas gathering facility:
Elk Horn Pipeline
- D. Distance 1600' Estimated cost of connection <\$10,000
- E. This exception is requested for the following reasons: Uneconomic for pipeline to come to us.
Negotiations are in progress for us to lay line to them, if gas price is sufficient. We can,
hopefully, be connected within the year.

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 G. T. Pepper, Operations Engineering Advisor

Date 2/19/03 Telephone No. 405/552-4513

OIL CONSERVATION DIVISION

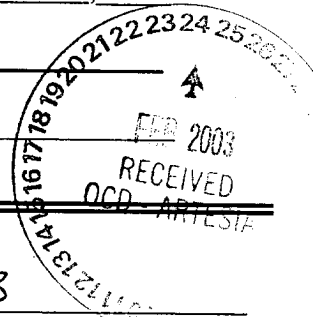
Approved Until 9-5-03

By [Signature]

Title

Date

MAR 5 2003



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