

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410  
Submit 3 Copies to  
Appropriate District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

30-035041-20707  
Form C-129  
Revised 4-1-91

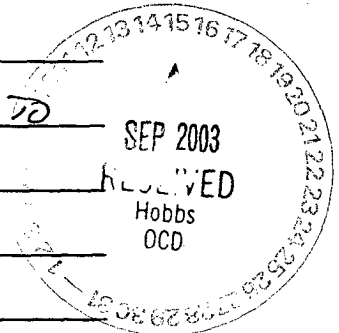
OIL CONSERVATION DIVISION  
2040 Pacheco St.  
Santa Fe, NM 87505

NFO Permit No. I-548-K  
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(548) (See Rule 306 and Rule 1129)

- A. Applicant CHI OPERATING INC  
whose address is PO Box 1799 MIDLAND TX 79702  
hereby requests an exception to Rule 306 for 120 days or until  
SEPT 15, 2005, 19 \_\_\_\_, for the following described tank battery (or LACT):  
Name of Lease STATE 8 Name of Pool CHAVARRO : SAN ANTONIO  
Location of Battery: Unit Letter \_\_\_\_ Section 8 Township 7 Range 34  
Number of wells producing into battery 1
- B. Based upon oil production of 1 barrels per day, the estimated \* volume  
of gas to be flared is TSM MCF; Value -0- per day.
- C. Name and location of nearest gas gathering facility:  
UNKNOWN
- D. Distance \_\_\_\_ Estimated cost of connection \_\_\_\_
- E. This exception is requested for the following reasons: NOT ENOUGH GAS TO  
SELL



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 OREN ALBRITTON

Printed Name Supt.

Telephone No. 432/684-0504

OIL CONSERVATION DIVISION

Approved Until \_\_\_\_

By [Signature] PETROLEUM ENGINEER

Title \_\_\_\_

Date SEP 15 2003

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