

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

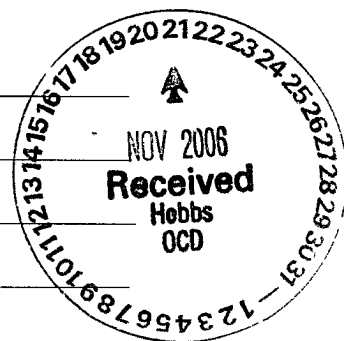
Submit 3 Copies to appropriate
District Office

NFO Permit No. I-832-H
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Hanson Operating Company, Inc.,
whose address is P. O. Box 1515, Roswell, New Mexico 88202-1515,
hereby requests an exception to Rule 306 for 365 days or until
November 17, Yr 2007, for the following described tank battery (or LACT):
Name of Lease Gates Name of Pool Many Gates San Andres
Location of Battery: Unit Letter C Section 7 Township 9 S Range 30 E
Number of wells producing into battery 1 30-005-21131
- B. Based upon oil production of 5 barrels per day, the estimated * volume
of gas to be flared is 1 MCF; Value \$2.50 per day.
- C. Name and location of nearest gas gathering facility:
Warren Petroleum Company
- D. Distance 7 miles Estimated cost of connection \$160,000.00
- E. This exception is requested for the following reasons:
Economics to install a pipeline do not justify the expenditure.



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

Carol J. Smith

Printed Name

& Title Carol J. Smith, Production Analyst

E-mail Address hanson@dfn.com

Date 11/17/2006 Telephone No. 505-622-7330

OIL CONSERVATION DIVISION

Approved Until

11/21/07

By

David W. Wink

Title

FIELD REPRESENTATIVE II/STAFF MANAGER

Date

NOV 20 2006

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