

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-T  
(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 19, Yr 2008, 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 4 barrels per day, the estimated \* volume  
of gas to be flared is 1 MCF; Value \$3.50 per day.

C. Name and location of nearest gas gathering facility:

Warren Petroleum Company

D. Distance 7 miles Estimated cost of connection \$180,000.00

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 11/19/2007 Telephone No. 505-622-7330

OIL CONSERVATION DIVISION

Approved Until 11/20/08

By Chris Williams

Title OC DISTRICT SUPERVISOR/GENERAL MANAGER

Date MAR 03 2008

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