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 District I  
 1625 N French Dr., Hobbs, NM 88240  
 District II  
 1301 W Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Road, Aztec, NM 87410  
 District IV  
 1225 S St. Francis, Santa Fe, NM 87505  
**NOV 13 2008**  
**HOBBS, NM**

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-832J  
 (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 11, Yr 2009, 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 3 barrels per day, the estimated \* volume  
 of gas to be flared is 1 MCF; Value \$1.25 per day.
- C. Name and location of nearest gas gathering facility:  
Warren Petroleum Company
- D. Distance 7 miles Estimated cost of connection \$200,000.00
- E. This exception is requested for the following reasons: Economics to install a pipeline do not justify the expenditure.

<p><b>OPERATOR</b>          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.</p> <p>Signature <u>Carol J. Smith</u></p> <p>Printed Name &amp; Title <u>Carol J. Smith, Production Analyst</u></p> <p>E-mail Address <u>hanson@dfn.com</u></p> <p>Date <u>11/11/2008</u> Telephone No. <u>505-622-7330</u></p>	<p><b>OIL CONSERVATION DIVISION</b></p> <p>Approved Until <u>Nov. 11, 2009</u></p> <p>By <u>Tony D. Hill</u></p> <p>Title <u>DC DISTRICT SUPERVISOR/GENERAL MANAGER</u></p> <p>Date <u>NOV 14 2008</u></p>
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\* Gas-Oil ratio test may be required to verify estimated gas volume.