

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-6515-0
(For District Use Only)

RECEIVED
SEP 11 2009
HOBBSOCO

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant THE COLBORN COMPANY INC.

whose address is 524 TEXAS AVE. - P.O. BOX 1804 EUNICE, NM 88231

hereby requests an exception to Rule 306 for INDEFINITE days or until

October 03, Yr 2010, for the following described tank battery (or LACT):

Name of Lease SAN SIMON ST Name of Pool SAN SIMON YATES

Location of Battery: Unit Letter D Section 4 Township 22S Range 35E

Number of wells producing into battery 4

B. Based upon oil production of 9 barrels per day, the estimated * volume
of gas to be flared is 2 MCF; Value \$280 per day.

C. Name and location of nearest gas gathering facility:

DCP MIDSTREAM, 1/4 of a mile AWAY

D. Distance 1415 Estimated cost of connection \$15000⁰⁰

E. This exception is requested for the following reasons: UNECONOMICAL to RUN
GAS LINE

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 Rance Colborn

Printed Name
& Title RANCE COLBORN - PRESIDENT

E-mail Address LMACHINE@MSN.COM

Date Sept 9, 2009 Telephone No. 575-394-2463

OIL CONSERVATION DIVISION

Approved Until Oct. 3, 2010

By [Signature]

Title DISTRICT 1 SUPERVISOR

Date SEP 11 2009

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