

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

Form C-129
Revised June 10, 2003

RECEIVED
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 3 Copies to appropriate
District Office

SEP 22 2009

HOBBSOCD

NFO Permit No. I-827-I
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant Energen Resources Corporation,

whose address is 3300 N. 'A', Bldg. 4, Ste 100, Midland, TX 79705,

hereby requests an exception to Rule 306 for 365 days or until

October 01, Yr 2010, for the following described tank battery (or LACT):

Name of Lease State Q Name of Pool Saunders - San Andres

Location of Battery: Unit Letter K Section 4 Township 15S Range 33E

Number of wells producing into battery 2 (#1 - L, #2 - K)*

B. Based upon oil production of 20 barrels per day, the estimated * volume

of gas to be flared is TSTM MCF; Value 0 per day.

C. Name and location of nearest gas gathering facility: #1 30-025-28070

N/A #2 30-025-32335

D. Distance N/A Estimated cost of connection N/A

E. This exception is requested for the following reasons: _____

Gas volume too small to measure

*Both wells are vented at the same tank battery

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 Tracie J. Cherry

Printed Name & Title Tracie J Cherry, Regulatory Analyst

E-mail Address tracie.cherry@energen.com

Date 09-21-09 Telephone No. 432/684-3692

OIL CONSERVATION DIVISION

Approved Until Sept. 24, 2010

By Terry W. Siep
DISTRICT 1 SUPERVISOR

Date SEP 24 2009

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