District I 1625 N. French Dr., Hobbs, NM 88240 RECLIVED Minerals and Natural Resources

District II
1301 W Grand Avenue, Artesia, NM 88210 SEF 2.5 2009 Oil Conservation Division
District III
1000 Rio Brazos Road, Aztec, NM 87410
Santa Fe, NM 87505 District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV

1220 S. St. Francis Dr., Santa Fe, NM 8750

Submit 3 Copies to appropriate

Form C-129 Revised June 10, 2003

District Office

NFO Permit No.

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129) Applicant Premier Oil & Gas Inc. A. whose address is P.O. Box 1246 Artesia, NM 88211-1246 hereby requests an exception to Rule 306 for / Syears days or until , Yr , for the following described tank battery (or LACT): Name of Lease State H-22 Name of Pool Vacuum Grayburg-SanAndres Location of Battery: Unit Letter O Section 22 Township 17S Range 34E Number of wells producing into battery One (30-025-02064) B. Based upon oil production of 1.5 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: Conoco Inc. Distance Estimated cost of connection \_\_\_\_\_ D. This exception is requested for the following reasons: The volume of gas is so small that no gas transporter would be willing to hook up to this battery. OIL CONSERVATION DIVISION **OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation Approved Until Sept. 25, 2010 Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature **(DISTRICT 1 SUPERVISOR** Printed Name Title & Title Kenneth C. Jones VP SEP 2 5 2009 Date E-mail Address ken.jones@premieroilgas.com Date 9/22/2009 Telephone No. 214-543-3688

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