

**RECEIVED** State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
SEP 25 2009  
HOBBSSOCD

Submit 3 Copies to appropriate  
District Office

NFO Permit No. I-900-E  
(For Division Use Only)

(See Rule 306 and Rule 1129)

- A. Applicant Premier Oil & Gas Inc.,  
whose address is P.O. Box 1246 Artesia, NM 88211-1246,  
hereby requests an exception to Rule 306 for 18 years \_\_\_\_\_ days or until  
\_\_\_\_\_, Yr \_\_\_\_\_, for the following described tank battery (or LACT):  
Name of Lease State H-22 Name of Pool Vacuum Grayburg-San Andres \_\_\_\_\_  
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.
- D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_
- E. 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 .

Date 9/22/2009 Telephone No. 214-543-3688

OIL CONSERVATION DIVISION

Approved Until Sept. 25, 2010

By Tamara M. Hill

Title **DISTRICT 1 SUPERVISOR**

Date **SEP 25 2009**

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