

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

RECEIVED
SEP 29 2009
HOBBSDOCD
State of New Mexico
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-691-0
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Ray A. Pierce,
whose address is P. O. Box 1969; Eunice, New Mexico 88231-1969,
hereby requests an exception to Rule 306 for _____ days or until
January 1, _____, Yr 2011, for the following described tank battery (or LACT):
Name of Lease Kornegay Name of Pool House San Andres
Location of Battery: Unit Letter F Section 13 Township 20S Range 38E
Number of wells producing into battery 1 30-025-29486
- B. Based upon oil production of 2.5 barrels per day, the estimated * volume
of gas to be flared is 0 MCF; Value \$0 per day.
- C. Name and location of nearest gas gathering facility:
Southern Union Gas Services K 13-20S-38
- D. Distance 1,980' Estimated cost of connection \$19,800
- E. This exception is requested for the following reasons: _____
Gas purchaser will not lay gas sales line due to no volume. Well does not produce enough gas to run
heater treater and gas engine. Propane must be purchased periodically to run engine. There is no
enviromental pollution from this action.

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 Bill Pierce

Printed Name

& Title Bill Pierce - Engineer

E-mail Address bill@pierceproduction.net

Date 09/28/2009 Telephone No. (432)570-6009

OIL CONSERVATION DIVISION

Approved Until Sept. 30, 2010

By Tammy W. Hill

Title DISTRICT 1 SUPERVISOR

Date SEP 30 2009

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