

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410

Submit 3 Copies to

Appropriate District Office

OIL CONSERVATION DIVISION

2040 Pacheco St.

Santa Fe, NM 87505

NFO Permit No.

I-211-9

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306 (See Rule 306 and Rule 1129)

A. Applicant Chi Operating, Inc

whose address is PO Box 1799, Midland, Tx. 79702

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

Sept 30, 1901, for the following described tank battery (or LACT):

Name of Lease Santa Fe Name of Pool Dickenson - San Andres

Location of Battery: Unit Letter F Section 35 Township 10s Range 36e

Number of wells producing into battery 2 XXX

B. Based upon oil production of 3 barrels per day, the estimated * volume of gas to be flared is TSTM MCF; Value TSTM per day.

C. Name and location of nearest gas gathering facility:

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

E. This exception is requested for the following reasons: Quantity is too small

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 [Signature]

Printed Name
& Title Supt.

Date 9-29-00 Telephone No. 915/684-0504

OIL CONSERVATION DIVISION

Approved Until 10/11/2001

By [Signature]
ORIGINAL SIGNED BY
GARY WINK
FIELD REP II

Title

Date

OCT 11 2001

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