

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-129
Revised 4-1-91

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

NFO Permit No. I-466-L
(For Division Use Only)

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

A. Applicant CHI ENERGY, INC.
whose address is PO Box 10981, MIDLAND, TX 79702

hereby requests an exception to Rule 306 for 365 days or until
Aug 15 2002, for the following described tank battery (or LACT):

Name of Lease SUSCO 3 STATE Name of Pool LAWYER SAN ANDRES WEST

Location of Battery: Unit Letter D Section 3 Township 10 Range 37

Number of wells producing into battery 1

B. Based upon oil production of 4 barrels per day, the estimated * volume
of gas to be flared is 1570 MCF; Value 1570 per day.

C. Name and location of nearest gas gathering facility:

DYNEX

D. Distance 2500' Estimated cost of connection 3500⁰⁰

E. This exception is requested for the following reasons: Quantity to Smell

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 Supv.
Title

Date 8-8-01 Telephone No. 915/684-0504

OIL CONSERVATION DIVISION

Approved Until 8/13/02

By [Signature] Orig. Sign. Paul Kaute

Title Geologist

Date AUG 13 2001

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