

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-548-J
(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 JAN 1 2004 days or until
19, for the following described tank battery (or LACT):
Name of Lease STATE 8 Name of Pool CHAPARRO SAN ANDRES
Location of Battery: Unit Letter I Section 8 Township 7E Range 34 E
Number of wells producing into battery 1
B. Based upon oil production of 0 barrels per day, the estimated * volume
of gas to be flared is 0 MCF; Value _____ per day.
C. Name and location of nearest gas gathering facility:

D. Distance _____ Estimated cost of connection _____
E. This exception is requested for the following reasons: Too Small A Volume

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 OREN ALBERTSON - SWS

Date 8-15-02 Telephone No. 915/684-0504

OIL CONSERVATION DIVISION

Approved Until 8/20/03

By _____

Title _____

Date _____

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

AUG 21 2002

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