

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

OIL CONSERVATION DIVISION

2040 Pacheco St.  
Santa Fe, NM 87505

Form C-129  
Revised 4-1-91

NFO Permit No. I-548-H  
(For Division Use Only)

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

- A. Applicant AM Energy Inc  
whose address is PO Box 1799, Midland TX 79702  
hereby requests an exception to Rule 306 for 365 days or until  
June 8, 2001, 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 7 Range 34  
Number of wells producing into battery 1
- B. Based upon oil production of 2 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:  
DYNEGY
- D. Distance N/A Estimated cost of connection N/A
- E. This exception is requested for the following reasons: Quantity too small

OPERATOR

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 \_\_\_\_\_

Printed Name \_\_\_\_\_  
& Title \_\_\_\_\_

Date \_\_\_\_\_ Telephone No. \_\_\_\_\_

OIL CONSERVATION DIVISION

Approved Until 6/8/2001

By Chris Williams  
DISTRICT 1 SUPERVISOR  
Title \_\_\_\_\_

Date JUN 14 2000

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