

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

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-129  
Revised March 17, 1999

Submit 3 Copies to appropriate  
District Office

NFO Permit No. I-672-I  
(For Division Use Only)

**APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306**

(See Rule 306 and Rule 1129)

- A. Applicant Hanson Operating Company, Inc.  
whose address is P. O. Box 1515, Roswell, New Mexico 88202-1515  
hereby requests an exception to Rule 306 for 365 days or until  
July 2, Yr 2002, for the following described tank battery (or LACT):  
Name of Lease Thelma #1-Y and #2 Name of Pool Cato San Andres  
Location of Battery: Unit Letter K Section 7 Township 9 S Range 30 E  
Number of wells producing into battery 2
- B. Based upon oil production of 5 barrels per day, the estimated \* volume  
of gas to be flared is TSTM MCF; Value \$1.00 per day.
- C. Name and location of nearest gas gathering facility:  
Warren Petroleum Company Cato Compressor Station
- D. Distance 1 1/4 Estimated cost of connection \$15,000
- E. This exception is requested for the following reasons: The 8 MCFPD of gas produced  
is used on lease to run the heater treater. Periodically a small amount of  
gas is vented through the PSI valve.

**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

Carol J. Garcia

Printed Name

& Title Carol J. Garcia, Production Analyst

Date 7/2/2002 Telephone No. 505-622-7330

**OIL CONSERVATION DIVISION**

Approved Until

7-11-03

By

ORIGINAL SIGNED BY

DAVE W. WATSON

Title

CO. FIELD REPRESENTATIVE II/STATE MANAGER

Date

JUL 11 2002

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