

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  
Geology, 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-672-H  
(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, NM 88202-1515  
hereby requests an exception to Rule 306 for 365 days or until  
                    , 19           , for the following described tank battery (or LACT):  
Name of Lease Thelma 1-Y & 2 Name of Pool Cato San Andres  
Location of Battery: Unit Letter K Section 7 Township 9S Range 30E  
Number of wells producing into battery 2
- B. Based upon oil production of 4 barrels per day, the estimated \* volume  
of gas to be flared is TSTM MCF; Value                      per day.
- C. Name and location of nearest gas gathering facility:  
Warren Petroleum Cato Compressor Station
- D. Distance 1 1/4 Estimated cost of connection
- E. This exception is requested for the following reasons: The 8 mcf of gas produced  
is all used on lease to run the heater treater.  
Periodically a small amount of gas TSTM is vented thru  
th PSI valve.

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 Betsy Speer

Printed Name

Title Betsy Speer Prod. Analyst

Date 5-2-01 Telephone No. 505-622-7330

OIL CONSERVATION DIVISION

Approved Until 5/4/2002

By Paul J. Kautz

Title Geologist

Date MAY 07 2001

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