

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-852-C

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant WADI PETROLEUM, INC.  
whose address is 545 N. UPPER BROADWAY, SUITE 900 CORPUS CHRISTI TX 78476  
hereby requests an exception to Rule 306 for 365 days or until  
SEPTEMBER 30, ~~19~~ 2003, for the following described tank battery (or LACT):  
Name of Lease BROWNFIELD A #1 Name of Pool GLADIOLA DEVONIAN  
Location of Battery: Unit Letter B Section 24 Township 12S Range 37E  
Number of wells producing into battery 1
- B. Based upon oil production of 23 barrels per day, the estimated \* volume  
of gas to be flared is 2 MCF; Value LESS THAN \$5 per day.
- C. Name and location of nearest gas gathering facility:  
WARREN PETROLEUM SAUNDERS COMPLEX
- D. Distance 0 Estimated cost of connection 0
- E. This exception is requested for the following reasons: IN REPORT FILED 4/99, IT WAS  
STATED THAT, AT THAT TIME, WARREN PETROLEUM HAD BEEN THE GAS  
PURCHASER. WARREN PETROLEUM ADVISED THEY WOULD DISCONTINUE TAKING  
GAS DUE TO SMALL VOLUMES.

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 Charlotte White

Printed Name & Title CHARLOTTE WHITE, PRODUCTION ANALYST

Date 01/03/03 Telephone No. (361) 883-1911

x 100

OIL CONSERVATION DIVISION

Approved Until 1/13/04

By [Signature]

Title PETROLEUM ENGINEER

Date JAN 14 2003

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