

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-129
Revised 4-1-91

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
Submit 3 Copies to
Appropriate District Office

NFO Permit No. I-856-A
(For Division Use Only)

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

- A. Applicant KUKUI, INC.,
whose address is c/o KUKUI Operating Co., 26 Rd. 2965, Aztec, N.M. 87410
hereby requests an exception to Rule 306 for 365 days or until
May 1, 192000 for the following described tank battery (or LACT):
Name of Lease Estacado 14 State Name of Pool High Plains Permo-Penn
Location of Battery: Unit Letter G Section 14 Township 14S Range 34E
Number of wells producing into battery 1
- B. Based upon oil production of 80 barrels per day, the estimated * volume
of gas to be flared is 25 MCF; Value \$25.00 per day.
- C. Name and location of nearest gas gathering facility:
Versado Gas
- D. Distance Approx. 1 mile Estimated cost of connection \$10,000
- E. This exception is requested for the following reasons:
Volume too small to justify connection.

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 Christine Severns

Printed Name
& Title Christine Severns, Technician

Date 04/26/99 Telephone No. 505-334-8126

OIL CONSERVATION DIVISION

Approved Until 5-5-2000

By Gary W. Wink

Title GARY W. WINK

Date MAY 05 1999

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