

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-827-E
(For Division Use Only)

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

- A. Applicant Energen Resources Corporation,
whose address is 3300 N. "A" St. Bldg. 4, Ste. 100, Midland, TX 79705,
hereby requests an exception to Rule 306 for 1826/Days / 5 Yrs. days or until
December 1, ~~19~~ 07, for the following described tank battery (or LACT):
Name of Lease STATE Q Name of Pool Saunders - San Andres
Location of Battery: Unit Letter L Section 4 Township 15S Range 33E
Number of wells producing into battery 2 (#1-L & 2-K) *
B. Based upon oil production of 145 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value 0 per day.
C. Name and location of nearest gas gathering facility:
N/A
D. Distance N/A Estimated cost of connection N/A
E. This exception is requested for the following reasons: Gas volume too small to measure

* Both wells are vented at the same tank battery.

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 Sharon Hindman

Printed Name & Title Sharon Hindman Regulatory Analyst

Date 12/9/2002 Telephone No. 915 684-3693

OIL CONSERVATION DIVISION

Approved Until 12/12/03

By Paul G. [Signature]
Title PETROLEUM ENGINEER

Date DEC 13 2002

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