

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-811-E
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Aviara Energy Corporation,
whose address is P. O. Box 1350, Houston, TX 77251-1350,
hereby requests an exception to Rule 306 for 365 days or until
October 6, Yr 2002, for the following described tank battery (or LACT):
Name of Lease McMillan #34-1-C Name of Pool Pollock, Wolfcamp, NE
API # 30-025-31226
Location of Battery: Unit Letter C Section 34 Township 14S Range 38E
Number of wells producing into battery One (1)
- B. Based upon oil production of 20 barrels per day, the estimated * volume
of gas to be flared is less than 1 MCF; Value \$3.00 per day.
- C. Name and location of nearest gas gathering facility:
El Paso Natural Gas Company (Section 10)
- D. Distance 4.5 miles Estimated cost of connection \$220,000.00
- E. This exception is requested for the following reasons: Uneconomical to connect
to pipeline.

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 Victoria Guidry
Printed Name Victoria Guidry
& Title Production/Regulatory Coord.

Date 10/30/01 Telephone No. 713-871-3444

OIL CONSERVATION DIVISION

Approved Until 11/09/02

By Paul J. Kenty
Title PETROLEUM ENGINEER

Date NOV 14 2001

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