

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

Er /, 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-827-2

(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
20
October 1, 2006, for the following described tank battery (or LACT):
Name of Lease STATE Q Name of Pool Saunders - San Andres
Location of Battery: Unit Letter K 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 Terry Lawler

Printed Name
& Title Terry Lawler, Prod. Sup., North

Date 10/15/01 Telephone No. (915) 687-1155

OIL CONSERVATION DIVISION

Approved Until 10-22-02

ORIGINAL SIGNED BY
By PAUL F. KAUTZ
PETROLEUM ENGINEER

Title _____

Date OCT 22 2001

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