STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

December 3, 1997

POST OFFICE 80X 1980 HOBBS, NEW MEXICO 86241-1980 (505) 393-6161

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Kathy B. McGuire Hawkins Oil & Gas, Inc. 400 South Boston, Suite 800 Tulsa, Oklahoma 74103

Re: No Flare Notices

Dear Ms. McGuire:

We have received your request for an exception to Rule 306, for your State V Wells No. 1 located in Unit D, and No. 2 located in Unit C, both in Section 5, Township 17 South, Range 37 East.

Our research confirms that no casinghead gas is being produced from either of these wells, therefore you are granted an exemption from filing Form C-129.

If the situation changes and the wells begin producing casinghead gas, we request that you notify this office, connect the wells to a pipeline to sell the gas, or resume submitting your request to flare on Form C-129.

Very truly yours

OIL CONSERVATION DIVISION

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Chris Williams Supervisor, District I

CW:bp

cc: David Catanach File