

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-535-L  
(For Division Use Only)

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

- A. Applicant ELK OIL COMPANY,  
whose address is Post Office Box 310, Roswell, New Mexico 88202-0310,  
hereby requests an exception to Rule 306 for 365 days or until  
December 4, 19X2002, for the following described tank battery (or LACT):  
Name of Lease State "MX" Name of Pool Scharb Bone Spring  
Location of Battery: Unit Letter D Section 15 Township 19S Range 35E  
Number of wells producing into battery 1
- B. Based upon oil production of 3 barrels per day, the estimated \* volume  
of gas to be flared is TSTM MCF; Value                      per day.
- C. Name and location of nearest gas gathering facility:  
Phillips
- D. Distance                      Estimated cost of connection N/A
- E. This exception is requested for the following reasons:  
Uneconomical to connect gas.

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 ELK OIL COMPANY

Printed Name  
& Title Joseph J. Kelly, President

Date 01/02/02 Telephone No. (505)623-3190

OIL CONSERVATION DIVISION

Approved Until 1/12/03

By PAUL F. KAUTZ  
ORIGINAL SIGNED BY  
PETROLEUM ENGINEER

Title                     

Date                     

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