

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
000 Rio Brazos Rd, Aztec, NM 87410
Submit 3 Copies to
Appropriate District Office

State of New Mexico
Encl. 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-535-I
(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
July 10, 19 99, for the following described tank battery (or LACT):
Name of Lease State MX Name of Pool Scharb Bone Springs
Location of Battery: Unit Letter D Section 15 Township 19S Range 35E
Number of wells producing into battery One
- B. Based upon oil production of 6 barrels per day, the estimated * volume
of gas to be flared is 1 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
Warren
- 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.

ELK OIL COMPANY
Signature _____
Printed Name _____
Title Joseph J. Kelly, President
Date 08/04/98 Telephone No. (505)623-3190

OIL CONSERVATION DIVISION

Approved Until 8/14/99
By ORIGINAL SIGNED BY CHRIS WILLIAMS
Title DISTRICT I SUPERVISOR
Date AUG 16 1998

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