

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

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

2040 Pacheco St.

Santa Fe, NM 87505

**Submit 3 Copies to
Appropriate District Office**

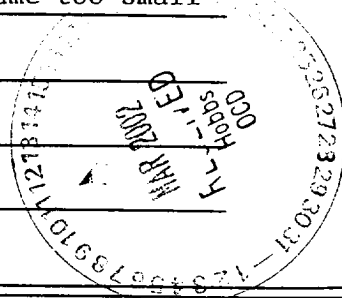
NFO Permit No. I-833-5

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Chesapeake Operating, Inc. (Previously Sapient Energy Corp)
whose address is P. O. Box 18496, Oklahoma City, OK 73154-0496,
hereby requests an exception to Rule 306 for Indefinite number of days or until
December 29, ~~19~~ 2002, for the following described tank battery (or LACT):
Name of Lease Anasazi 4 State Name of Pool Yates Seven Rivers
Location of Battery: Unit Letter J Section 4 Township 20S Range 33E
Number of wells producing into battery 1
- B. Based upon oil production of 6 barrels per day, the estimated * volume
of gas to be flared is 1 mcf TSTM MCF; Value 0 per day.
- C. Name and location of nearest gas gathering facility:
GPM Gas Core 1/4 mi. South
- D. Distance 1320' Estimated cost of connection \$10,000
- E. This exception is requested for the following reasons: Uneconomical - volume too small
to sell & need to flare



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 Cinderella McCallum

Printed Name

& Title Andrew McCalmont, Asset Manager

Date 03/05/02 Telephone No. (405) 848-8000

OIL CONSERVATION DIVISION

Approved Until

By _____

Title

Date _____

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

HR 1 2 2632

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