

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

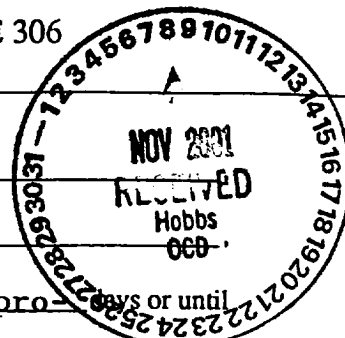
State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-129
Revised 4-1-91

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

NFO Permit No. I-691-I
(For Division Use Only)

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



A. Applicant RAY A. PIERCE

whose address is PO BOX 1969, Eunice, NM 88231-1969

hereby requests an exception to Rule 306 for as long as well will produce oil in paying quantities for the following described tank battery (or LACT):

Name of Lease KRONEGAY Name of Pool HOUSE SAN ANDRES

Location of Battery: Unit Letter F Section 13 Township 20S Range 38E

Number of wells producing into battery ONE

B. Based upon oil production of FIVE barrels per day, the estimated * volume of gas to be flared is 0 NONE MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

SID RICHARDSON GASOLINE COMPANY IN UNIT LETTER D

D. Distance 1980' Estimated cost of connection \$12,500.00

E. This exception is requested for the following reasons: Well does not produce enough gas to keep heater lighted. A line laid to well would never pay for itself. There is no environmental hazard nor pollution from this operation.

OPERATOR

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 Eugenia L. Pierce

Printed Name
Title EUGENIA L. PIERCE, PROD CLERK

Date 11-06-01 Telephone No. 394-3205 or 394-2150

OIL CONSERVATION DIVISION

Approved Until 11/9/02

By [Signature]

Title PETROLEUM ENGINEER

Date NOV 14 2001

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