+       State of New Mexico       +         DISTRICT II       F. J., Minerals and Natural Resources Department       Form C-129         DISTRICT II       F. J., Minerals and Natural Resources Department       Form C-129         P.O. Drawer DD, Artesia, NM 88211-0719       Ust CONSERVATION DIVISION       Revised 4-1-91         DISTRICT III       2040 Pacheco St.       Santa Fe, NM 87505         Submit 3 Copies to       NFO Permit No.       Image: Santa Fe, NM 87505         Appropriate District Office       Image: Santa Fe, NM 87505       NFO Permit No.         APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306       Convision Use Only)	
A. Applicant <u>Pogo Producing Company</u> whose address is <u>P.O. Box 10340</u> , Mic hereby requests an exception to Rule 306 for	iland, TX 79702-7340 365 days or until
Name of Lease Tomahawk Unit #1	, for the following described tank battery (or LACT): Name of PoolWildcat_Delaware onTownship_21SRange
<ul> <li>B. Based upon oil production of <u>6</u> barrels per day, the estimated * volume of gas to be flared is <u>2</u> MCF; Value <u>\$2.40</u> per day.</li> <li>C. Name and location of nearest gas gathering facility:</li> </ul>	
<ul> <li><u>Pogo Red Tank Gas Gathering System</u></li> <li>D. Distance <u>5 miles South</u> <u>Estimated cost of connection</u> <u>\$65,000</u></li> <li>E. This exception is requested for the following reasons: <u>The cost to install a gas gathering</u> line and connect would be \$65,000. The revenue from this installation would <u>be \$2.40/day based on the current gas rate of 2 MCFPD</u>. Based on the initial cost of the system and the revenue that would be realized, the project would</li> </ul>	
never payout. Thus Pogo Produci while producing oil 3 water. Th 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 Mante Printed Name & Title Barrett L. Smith, Sr. Operations Eng. Date 7/21/97 Telephone No. (915) 682-6822	ng Company request permission to vent the gas <u>e gas has 0% H2S.</u> OIL CONSERVATION DIVISION Approved Until <u>8-19-98</u> ORIGINAL SIGNED BY CHRIS WILLIAMS DISTRICT I SUPERVISOR By Title DateAUG 19 1997

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