District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 State of New Mexico Energy Minerals and Natural Resources

> Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-129 Revised March 17, 1999

Submit 3 Copies to appropriate District Office

 $^{\circ}$ 5

NFO Permit No.

0 (For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

Applicant Joe Melton Drilling Co., Inc.
whose address is P.O. Box 4203 Midland, Texas 79704
hereby requests an exception to Rule 306 for 30 days or until
, Yr, for the following described tank battery (or LACT):
Name of Lease <u>New Mexico G State #1</u> Name of Pool <u>Eumont Yates 7 Rvrs Que</u> en
Location of Battery: Unit Letter DSection 23Township 215Range 36E
Number of wells producing into battery 3
Based upon oil production of 34 barrels per day, the estimated * volume
of gas to be flared is 590 MCF; Value \$2,950.00 per day.
Name and location of nearest gas gathering facility:
DistanceEstimated cost of connection
This exception is requested for the following reasons: <u>Gas produced from this well</u>
has a higher CO2 content than our contract with Dynegy allows. We are
venting this gas incorder to lower the CO2 content and in turn connect

OPERATOR	OIL CONSERVATION DIVISION
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.	Approved Until 7/7/01
Signature Harenaldon	By and Flank
Printed Name	Geologist
& Title Karen Allen Secretary	Title
Date <u>5/7/01</u> Telephone No. <u>915 682-5461</u>	Date

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