

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

30-022 - 50001  
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

NFO Permit No. I-876  
(For Division Use Only)

**APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306**

(See Rule 306 and Rule 1129)

A. 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 days or until

                    , Yr           , for the following described tank battery (or LACT):

Name of Lease New Mexico G State #30 Name of Pool Eumont Yates 7 Rvrs. Queen oil

Location of Battery: Unit Letter F Section 23 Township 21S Range 36E

Number of wells producing into battery 2

B. Based upon oil production of 44 barrels per day, the estimated \* volume  
of gas to be flared is 775 MCF; Value \$3,875.00 per day.

C. Name and location of nearest gas gathering facility:

See note below.

D. Distance                      Estimated cost of connection                     

E. This exception is requested for the following reasons: This well is connected to a  
Dynegy gas line. The gas test indicated 21% CO2, so Dynegy will not  
purchase gas with this high of CO2 content. We are flaring gas to help  
lower(clean up) CO2 content.

**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 Karen Allen

Printed Name  
& Title Karen Allen Secretary

Date 5/2/01 Telephone No. 915 682-5461

**OIL CONSERVATION DIVISION**

Approved Until 6/9/01

By Gay W. Wink

Title FIELD REPRESENTATIVE II

Date                     

MAY 09 2001

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