30-025-55500

District I 1625 N. French Dr., Holps, NM 88240 District II 811 South First, Anesia, NM 88210 District III 1000 Rio Brazos R. ad, Actec, 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

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NFO Permit No.

(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 isP.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 <u>New Mexico G State #31 Name of Pool Eumont Yates 7 Rvrs. Qu</u> eer		
Location of Battery: Unit Letter K Section 23 Township 215Range 36E		
Number of wells producing into battery2		
Based upon oil production of 28 barrels per day, the estimated * volume		
of gas to be flared is 475 MCF; Value\$2,375.00 per day.		
Name and location of nearest gas gathering facility:		
See note below		
DistanceEstimated cost of connection		
This exception is requested for the following reasons:		
Dynegy gas line. The gas test indicated a 20% CO2 content, therefore		
Dynegy will not purchase gas. We are flaring to help lower (clean up)		
Dynegy will not purchase gas. We are flaring to help lower (clean up)		

OPERATOR	OIL CONSERVATION DIVISION
I hereby certify that the rules and regulations of the Oil Conservation	1 1
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 $6/9/0$
Signature Karen allen	By Law W. Wink FIELD REPRESENTATIVE II
Printed Name & Title Karen Allen Secretary	Title FIELD REPRESENTATIVE II
& The Karen Arren Secretary	MAY 0 9 2001
Date <u>5/2/01</u> Telephone No. <u>915</u> 682-5461	Date

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