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it 3 Copies to
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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-881-A
(For Division Use Only)

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

A. Applicant Echo Production, Inc.
whose address is PO Box 1210, Graham, Texas 76450

hereby requests an exception to Rule 306 for 90 days or until
January 15th, ~~19~~ 2002, for the following described tank battery (or LACT):

Name of Lease James Name of Pool Diamondtail Delaware SW

Location of Battery: Unit Letter A Section 21 Township 23E Range 32E

Number of wells producing into battery 1

B. Based upon oil production of 9 barrels per day, the estimated * volume
of gas to be flared is 10 MCF; Value \$22 per day.

C. Name and location of nearest gas gathering facility:

Duke Energy - NWSEW Sec 27

D. Distance 6500' Estimated cost of connection \$20,000

E. This exception is requested for the following reasons: The well is marginal and is
declining. Amount of gas flared is 10 MCF/D and will be less in
winter months when more will be used for heater treater. Not
economical to connect.

RATOR

By Tom Golden I 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 Tom Golden

Printed Name Tom Golden / Operations Manager

Date 10/16/01 Telephone No. 940-549-3292

OIL CONSERVATION DIVISION

Approved Until 10/16/02

By PAUL F. KAUTZ

Title PETROLEUM ENGINEER

Date OCT 19 2001

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