

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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

NFO Permit No. I-902
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Rubicon Oil & Gas, LLC,
whose address is 400 West Illinois, Suite 1130, Midland, Texas 79701,
hereby requests an exception to Rule 306 for 90 days or until
February 20th, Yr 2003, for the following described tank battery (or LACT):
Name of Lease Newman State Name of Pool Stateline Ellenburger
Location of Battery: Unit Letter F Section 32 Township 23S Range 38E
Number of wells producing into battery 1
- B. Based upon oil production of 60 barrels per day, the estimated * volume
of gas to be flared is 18 MCF; Value \$36.00 per day.
- C. Name and location of nearest gas gathering facility:
Duke Energy (Goldsmith Gathering System) - 1600' South of location.
- D. Distance 1600' Estimated cost of connection \$5000.00±
- E. This exception is requested for the following reasons: Small volume of gas and little
chance for increased volume has made it difficult to find a market.
Duke's system in the area has been idle for years and may not be in
condition to take gas. They are evaluating their line.

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

Darol K. Ramey

Printed Name

& Title Darol K. Ramey - Agent

Date 11-08-02 Telephone No. 915/687-1192

OIL CONSERVATION DIVISION

Approved Until

2/20/03

By

[Signature]

Title PETROLEUM ENGINEER

Date

NOV 15 2002

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