STATE OF NEW MEXICO

CONSERVATION DIVISION P. O. BOX 2088 ENERGY AND MINERALS DEPARTMENT SANTA FE, NEW MEXICO 87501

Form C-129 Revised 10-1-78

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

		NFO Permit No.	
			(For Division Use Only)
A.	Applicant, S & J Operating Company whose address is P. O. Box 2249, Wichita Falls, TX 76307 hereby requests an exception to Rule 306 for life of the lease		
	, 19, for the following described tank battery (or LACT):		
	Name of Lease <u>Fast Millman Pool Unit</u> Name of Pool Millman (Q-G) East		
	Location of Battery: Unit Letter 0 Section 12 Township 19S Range 28E		
	Number of wells producing into battery 11		
Ġ.	Based upon oil production of		
	of gas to be flared is 3.6 MCF; Value \$	4.85	per day.
C.	Name and location of the nearest gas gathering facility: Phillips Petroleum - Artesia Plant		
D.	Distance Estimated cost of connection		
E.	This exception is requested for the following reasons: There are eleven (11) producing wells on the East Millman Pool Unit producing approx. 101 BOPD. Six (6) of these eleven (11) wells have had a gas gathering system installed. The remaining five (5) wells produce approx. 3.6 MCFD; therefore these wells cannot economically justify laying gathering lines. Also, shutting in the casing valve causes a significant reduction in oil production.		
F.	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 Fu	ther Notice
	Petroleum Engineer (Title)	By Wille OIL AND	GAS INSPECTOR
	June 1, 1988 Date JUN 13 1900		

*Gae-Oil ratio test may be required to verify estimated are volume