## STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

## P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

Form C-129 Revised 10-1-78

NFO Permit No. 2-795

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

	(10) DIVISION USE UNITY)	
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 <u>life of the lease</u> 要疾患自由权能	
	, 19, for the following described tank battery (or LACT):	
	Name of Lease <u>Fast Millman Pool Unit</u> Name of Pool Millman (Q-G) <u>Fast</u>	
	Location of Battery: Unit Letter 0 Section 12 Township 19S Range 28E	
	Number of wells producing into battery 11	
B.	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	
<b>E.</b>	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 OII 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 Further Notice
	Signature)  Petroleum Engineer  (Title)  June 1, 1988	NEW MEXICO OIL CONSERVATION DIVISION  By Willow Williams  Title OIL AND GAS INSPECTOR  Date JUN 13 1988

<sup>\*</sup>Gas-Oil ratio test may be required to verify estimated has volume.