

OIL CONSERVATION DIVISION

P. O. BOX 2088

Form C-129
Revised 10-1-78STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

SANTA FE, NEW MEXICO 87501

C/SF
Oper.

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 2-843
(For Division Use Only)

- A. Applicant, Texaco Exploration and Production Inc.,
whose address is P.O. Box 730 Hobbs, New Mexico 88240,
hereby requests an exception to Rule 306 for indefinite days or until
 , 19 , for the following described tank battery (or LACT):
Name of Lease Malaga Harroun 31 Name of Pool Harroun Ranch Delaware
Location of Battery: Unit Letter G Section 31 Township 23-S Range 20-E
Number of wells producing into battery One (Malaga Harroun 31 #1)
- B. Based upon oil production of 15 barrels per day, the estimated * volume
of gas to be flared is 60 MCF; Value \$59.40 per day.
- C. Name and location of the nearest gas gathering facility:
Pinnacle Natural Gas Company (presently taking the gas down their
high pressure gas sales line)
- D. Distance Estimated cost of connection

- E. This exception is requested for the following reasons:

It is uneconomical to compress the casinghead gas from this oil well to sell down the high pressure gas sales line operated by Pinnacle Natural Gas Company. The Pinnacle gas sales line carries 300 PSI line pressure, therefore, the use of a compressor is necessary to sell the casinghead gas. Based on the current contract price on the gas sold to Pinnacle of \$.99 per MCF with an average gas production of 60 MCF per day, the gas value is \$59.40 per day. (CONTINUED ON BACK)

- 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.

Monte C. Amador
(Signature)
Engineer's Assistant
(Title)
3-30-92
(Date)

Gas must Be FlaredApproved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By Mark WalkerTitle SUPERVISOR, DISTRICT IIDate APR - 7 1992

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

Texaco pays approximately sixteen hundred dollars per month for rental of the gas compressor used on this well. Additional costs include paying a contract pumper to check and perform daily maintenance on the compressor and a glycol dehydrator. The gas compressor presently used on the well is scheduled to be picked up on 4-9-92. If the application to flare the gas from this well is not approved, the well will be shut-in. The H₂S survey performed on March 30, 1992 by Callaway Safety is attached. Results of the survey showed 0 P.P.M. of hydrogen sulfide.