

Union Texas Petroleum

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FARMINGTON RESOURCE AREA
FARMINGTON, NEW MEXICO

375 U.S. Highway 64
Farmington, New Mexico 87401
Telephone (505) 325-3587

August 31, 1987

Bureau of Land Management
Caller Service 4104
Farmington, NM 87499

Re: Exception to No Flare Rule
Lybrook B #1 NM-54364
2206' FSL; 412' FEL
Section 30, T23N-R6W
San Juan County, New Mexico

Gentlemen:

The subject well is capable of pumping 2.6 BOPD and venting 3.1 MCFGPD to the atmosphere against a back pressure of 115 psig. The well is currently shut-in. A determination is being made regarding the economic feasibility of a workover.

The nearest pipeline is El Paso Natural Gas's 6" lateral (2C-161) approximately 1-3/4" miles away and currently operating under 130 psig. A pipeline tie-in would be over very rugged terrain and would cost approximately \$70,000. This expense would burden this already uneconomic well to the point where it could not pay out. Abandonment of the well would have to be considered, resulting in loss of additional revenue. Continued venting of casinghead gas from this well is desirable to prevent waste and allow continued production of additional oil reserves.

Based on the latest production and last year's G-O-R test, the marginal nature of this well's production (2.6 BOPD and 3.1 MCFGPD), and the uneconomic nature of marketing gas, it is requested in the interest of conservation that venting be allowed to continue during the period ending August 31, 1988.

If I may be of further assistance, please advise.

Very truly yours,

Robert C. Frank

Robert C. Frank
Permit Coordinator

RCF:lmg

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SEP 10 1987

OIL CON. DIV
DIST. 3

APPROVED

THIS APPROVAL EXPIRES

WMOCD

John Skelton
FARM AREA MGR