

 Union Texas Petroleum

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BLM MAIL ROOM

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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  
Ernest No. 1 NM-014023  
530' FNL; 530' FWL  
Section 27, T24N-R7W  
Rio Arriba County, NM

Gentlemen:

A recent G.O.R. test (attached) indicates that the well produces 1417 cu.ft./bbl. Using the G.O.R. test, backpressure of 50 psi and an average oil production of 12 BOPD, this well vents approximately 17 MCFGPD. The nearest pipeline (EPNG 6" Lateral 2C-112) is approximately three quarters of a mile and currently operates at 140 psi. The gas from this well would need to be compressed to be sold through this line. The compressor would utilize approximately 8 MCFGPD, thereby making the well less economic.

The expense of a compressor and pipeline tie-in (approximately \$35,000) would burden this already marginal well to the extent that abandonment would have to be considered. Continued venting of casinghead gas is desirable to prevent waste and premature abandonment of oil reserves.

If I may be of further assistance, please advise.

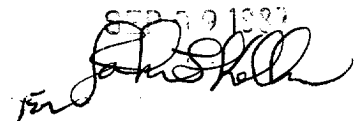
Very truly yours,



Robert C. Frank  
Permit Coordinator

RCF;lmg  
attachment

RECEIVED  
SEP 10 1987  
OIL CON. DIV  
DIST. 3



NMCCD