



R. J. Broussard
District Manager

February 13, 1986

Amoco Production Company

Petroleum Center Building
501 Airport Drive
Farmington, New Mexico 87401
505-325-8841

RECEIVED

FEB 14 1986

Bureau of Land Management
Attn: Ken Townsend
Caller Service 4104
Farmington, NM 87499

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

File: DBB-163-986.614

Dear Mr. Townsend:

No-Flare Exception
Hogback Pennsylvanian Field
San Juan County, New Mexico

RECEIVED
FEB 20 1986
OIL CON. DIV.
DIST. 3

Resubmitted for your approval is our request, dated January 24, 1986, for a ~~permanent~~ exception to the No-Flare Rule for our newly drilled USG Section 18 No. 42 well. As per telecon Mason-Salzman, February 7, 1986, the request was returned to Amoco because no gas analysis accompanied the request. It is enclosed herewith for your review.

The reason that the gas analysis was not sent with the original request is that we submitted all completion paperwork and required forms to the NMOCD and to your office in order that an allowable for the well could be established using the first day's production data. In this way, it is not necessary to apply for test allowables, which prevents the possibility of unnecessary shut-in time.

In order to prevent future production delays and deferral of revenue and royalty resulting from unnecessary shut-in time, Amoco requests a ~~blanket~~ No Flare Exception for future wells drilled in the Hogback Pennsylvanian Field. We make this request for the following reasons:

- 1) Gas produced from the Hogback Pennsylvanian Field is not of marketable quality:

Amoco has drilled four wells in the newly designated (NMOCD Order No. R-8132) Hogback Pennsylvanian Oil Pool. Average gross heating value is 724 BTU/CF and average nitrogen content is 38.2 mole percent.

- 2) Nearest pipeline is six miles from lease:

For economic reasons, no pipeline company has expressed a willingness to lay a six mile spur line to take the 165 BTU gas.

* No Blanket/Permanent exception - Note NTL-4A III & IV

This Approval Expires 2/18/87

NOV 1986



February 13, 1986

- 3) Gas will not support continuous combustion for lease use: Existing Hogback wells exhibit sporadic flare behavior. As slugs of gas with lower hydrocarbon content reach the surface, flares tend to extinguish themselves. For safety reasons this gas should not be used to run compressors and pumps or to fire heating units, etc.

- 4) Gas composition is not expected to change in any newly drilled wells or existing producers:

The subject field produces from Pennsylvanian age rocks and development to date has shown the formations to be continuous throughout the field. The USG Section 18 No. 38 was completed in August, 1984, and gas composition has remained relatively constant.

- 5) Flaring the gas does not constitute a waste of reservoir energy:

Production characteristics of the USG Section 18 No. 43, which is structurally the lowest producer in the field, show evidence of an active bottom water drive. Thus, flaring the gas will not result in a loss of reserves.

Based on the above, we feel that a ~~blanket~~^x No Flare Exception for the Hogback Pennsylvanian Field is justifiable. Also, it will reduce administrative costs and prevent any deferred income and royalties resulting from unnecessary shut-in time.

If you have any questions concerning this matter, please contact Brad Salzman at 325-8841, ext. 249. We appreciate your consideration in this matter.

Yours very truly,



BWS/ct

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