

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

Submit 3 Copies to
Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

NFO Permit No. _____

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

- A. Applicant Louis Dreyfus Natural Gas Corp,
whose address is 14000 Quail Springs Parkway, Suite 600, Oklahoma City, OK 73134
hereby requests an exception to Rule 306 for 90 days or until
February 23, 19 95, for the following described tank battery (or LACT):
Name of Lease Dall Federal #1 Name of Pool Happy Valley (Delaware)
Location of Battery: Unit Letter K Section 33 Township 22S Range 26E
Number of wells producing into battery 1
- B. Based upon oil production of 42 barrels per day, the estimated * volume
of gas to be flared is 55 MCF; Value \$77 per day.
- C. Name and location of nearest gas gathering facility:
Well is connected to Llann
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: Well has H2S content of 7200 ppm
and costs \$100/day to chemically treat the H2S. Expense to treat
the gas to sales quality exceeds the value of sales. Operator will
utilize automatic flare ignitor.

OPERATOR

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.

Signature Kenton L. Sams

Printed Name

& Title Kenton L. Sams Production Engineer

Date 02/23/95 Telephone No. (405) 749-1300

OIL CONSERVATION DIVISION

Approved Until 7/1/95

By

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Title

Date

MAR 30 1995

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