

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

FORM C-124
Revised 10-1-75

c/SF
operation

APPROVED BY FOR EXCEPTION TO NO-FLARE RULE 306

MAY 6 1985

O. C. D.
ARTESIA, OFFICE

NFO Permit No. 2-712
(For Division Use Only)

- A. Applicant, Phillips Petroleum Company,
whose address is Room 401, 4001 Penbrook Street, Odessa, Texas 79762,
hereby requests an exception to Rule 306 indefinitely
, 19 , for the following described tank battery (or LACT):
Name of Lease Drag-C (well #3) Name of Pool S. Carlsbad, Bone Spring
Location of Battery: Unit Letter K Section 19 Township 23S Range 27E
Number of wells producing into battery three . Eddy County
B. Based upon oil production of 3 barrels per day, the estimated volume
of gas to be flared is 3 MCF; Value \$6.45 per day.
C. Name and location of the nearest gas gathering facility:
Burton Flat Booster
D. Distance 15.9 miles Estimated cost of connection \$2.3 million
E. This exception is requested for the following reasons:
The low volume of gas does not justify a pipeline connection. Also,
the cost of reducing the H₂S content for delivery is not economically
justified.

- 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.

(Signature)

W. J. Mueller

(Title)

May 2, 1985

(Date)

Approved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By John Nelson

Title OIL AND GAS INSPECTOR

Date JUN 10 1965

JUN 10 1985