

SOUTHERN UNION SUPPLY COMPANY
FIRST INTERNATIONAL BUILDING
DALLAS, TEXAS 75270

July 22, 1977

New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Attn: Mr. Jerry Sexton, Director

Re: Application for Exception To No-Flare
Rule 306
Susco Pennzoil State #1
H Sec-18 T-17-S R-34-E
Vacuum (Cisco) Pool
Lea County, New Mexico

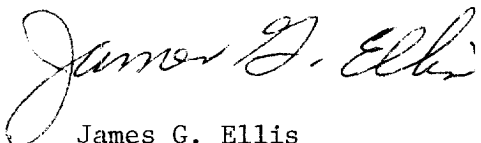
Gentlemen:

The captioned well is due to cease delivery to a temporary casing-head sale on August 1, 1977. An FPC filing is now in progress toward approval for the gas to be transported by EPNG to Southern Union's market area on a permanent basis, however, approval is not expected prior to October 1, 1977. For this reason, we are requesting exception to no-flare rule 306.

The well is declining in production as noted by previous monthly production. May production averaged 50 bbls/day. June production averaged 27 bbls/day. Due to this unsteady production pattern, we had Testers, Inc. of Hobbs run a recent G.O.R. test. Results indicated 23.5 bbls/day with a G.O.R. of 2035 ft³/bbl. This equates to 48 MCF/day.

Negotiations are ongoing in an attempt to effect an additional temporary sale prior to F.P.C. approval. In the event we are successful the no-flare exception application we are hereby submitting will be cancelled.

Very truly yours,



James G. Ellis
Chief Petroleum Engineer

JGE:mt

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OIL CONSERVATION COMM.
HOBBS, N. M.