

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

**CONFIDENTIAL**

NFO Permit No.

840  
I  
(For Division Use Only)

A. Applicant, Pogo Producing Company,

whose address is P. O. Box 10340, Midland, TX 79702-7340,

hereby requests an exception to Rule 306 for \_\_\_\_\_ days or until

\_\_\_\_\_, 19\_\_\_\_, for the following described tank battery (or LACT):

Name of Lease Lone Ranger 11 Federal Name of Pool Seven Rivers

Location of Battery: Unit Letter J Section 11 Township 19S Range 33E

Number of wells producing into battery 1

B. Based upon oil production of 30 barrels per day, the estimated\* volume  
of gas to be flared is 3 MCF; Value \$4.05 per day.

C. Name and location of the nearest gas gathering facility:

D. Distance 1 mile south Estimated cost of connection \$20,000

E. This exception is requested for the following reasons:

The nearest gas connect point to the subject well is GPM approximately one mile to the south. The well currently produces around 15 MCFPD with a decline rate of 60% per year. Approximately 10-12 MCFPD is used to run the gas pumping unit engine and for fuel for the heater treater. Based on a revenue of \$4.05 the project is uneconomical. Thus, Pogo Producing Company request permission to vent gas while producing oil & water.

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)

Senior Operations Engineer

(Title)

November 14, 1996

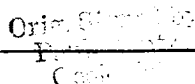
(Date)

Approved Until

11-18-98

NEW MEXICO OIL CONSERVATION DIVISION

By



Title

DEC 09 1996

Date

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