

C/SF
Open

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

JUN 29 1987

O. C. D.
ARTESIA, OFFICE

NFO Permit No. 2-780
(For Division Use Only)

A. Applicant, Quanico Oil & Gas, Inc.,
whose address is P.O. Box 1714, El Dorado, AR. 71730,
hereby requests an exception to Rule 306 for 150 days or until
December 30, 1987, for the following described tank battery (or LACT):
Name of Lease Latham - State Name of Pool Brown - Queen - Grayburg
Location of Battery: Unit Letter P Section 25 Township 10-S Range 26-E
Number of wells producing into battery 1

B. Based upon oil production of 3 barrels per day, the estimated* volume
of gas to be flared is 30 MCF; Value \$37.⁰⁰ per day.

C. Name and location of the nearest gas gathering facility: Sec. 25, T-10-S, R-25-E
McClellan - Pecos Slope Abn High pressure line

D. Distance 6 miles Estimated cost of connection \$20,000.⁰⁰

E. This exception is requested for the following reasons: Due to the low volume and pressure of this well, it would not be economically feasible at the present time to set a compressor and lay the 6 miles of high pressure line that would be necessary to connect to the McClellan line. We would like to produce the oil from this well for a period of time to generate some income on this lease, while we await the condition of the industry to improve.

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.

Douglas K. Allen
(Signature)
Vice - President
(Title)
6-29-87
(Date)

Gas must Be Flared

Approved Until Dec 30, 1987

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date JUL - 2 1987

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