P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

Form C-129 Revised 10-1-78

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

	NFO Permit No 2 -795
	(For Division Use Only)
А.	Applicant, <u>S & J Operating Company</u> ,
	whose address is P. O. Box 2249, Wichita Falls, TX 76307
	hereby requests an exception to Rule 306 for <u>life of the lease</u> 我好考定做我律
	, 19, for the following described tank battery (or LACT):
	Name of Lease <u>East Millman Pool Unit</u> Name of Pool <u>Millman (Q-G) East</u>
	Location of Battery: Unit Letter Section _12 Township Range Range
	Number of wells producing into battery <u>11</u>
ġ.	Based upon oil production of 5.8 barrels per day, the estimated * volume
	of gas to be flared is <u>3.6</u> MCF; Value <u>\$4.85</u> per day.
C.	Name and location of the nearest gas gathering facility:
	Phillips Petroleum - Artesia Plant
D.	Distance Estimated cost of connection
Е.	This exception is requested for the following reasons: There are eleven (11) producing wells on the East Millman Pool Unit producing approx. 101 BOPD. Six (6) of these eleven (11) wells have had a gas gathering system installed. The remaining five (5) wells produce approx. 3.6 MCFD; therefore these wells cannot economi- caly justify laying gathering lines. Also, shutting in the casing valve causes
F.	a significant reduction in oil production.
	Martine information given above is the and complete to the best of my knowledge and belief. Mew MEXICO OIL CONSERVATION DIVISION Mew MEXICO OIL CONSERVATION DIVISION By Mike Million Petroleum Engineer Title Ume 1 1988

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