C'L CONSERVATION DIVISION 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 life of the lease 35,536 and a
	, 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 0 Section 12 Township 19S Range 28E
	Number of wells producing into battery <u>11</u>
B .	Based upon oil production of 5.8 barrels per day, the estimated * volume
	of gas to be flared is3.6MCF; Value\$4.85per day.
C.	Name and location of the nearest gas gathering facility:
	<u> Phillips Petroleum - Artesia Plant</u>
D.	Distance Estimated cost of connection
E.	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 a significant reduction in oil production.
F.	I hereby certify that the rules and regulations of the Oll Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.
	<u>Aandy Rolyitson</u> <u>Signature</u> <u>Petroleum Engineer</u> (Title) NEW MEXICO OIL CONSERVATION DIVISION By <u>Wike Williams</u> Title <u>OIL AND GAS INSPECTOR</u>
	June 1, 1988 [Date] Date JUN 1 3 1988

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

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