

RECEIVED BY
APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

DEC 15 1986

O. C. D.
ARTESIA, OFFICE

NFO Permit No. 2-766
(For Division Use Only)

A. Applicant, Anadarko Petroleum Corporation,
whose address is P. O. Drawer 130, Artesia, N.M. 88211-130,

hereby requests an exception to Rule 306 for 90 days or until
March 15, 19 87, for the following described tank battery (or LACT):

Name of Lease Matlock Name of Pool Penasco Draw - Upper Penn.

Location of Battery: Unit Letter J Section 4 Township 19S Range 25E

Number of wells producing into battery 1

B. Based upon oil production of 10 barrels per day, the estimated * volume
of gas to be flared is 18 MCF; Value \$36.00 per day.

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

Feagan's Dagger Draw Gas Plant NW/4 22-19S-25E

D. Distance zero Estimated cost of connection already connected

Pipeline will not accept this gas at the pressure and/or quality at which it is produced. Their permit restrictions (limitations on H₂S volume) force them to choose between gas from Anadarko or Texaco. They chose to take Texaco's gas. Feagan is in the process of filing to increase their permit allowables and may soon be in a position to extend an offer to Anadarko to once again take our gas. Should Feagan extend such an offer then we will either: (1) set a compressor and sell all excess gas or (2) file another C-129 requesting relief due to economic reasons (if the potential sales volume available at that time won't offset the expense of compressing).

This well needs to be produced in order to perpetuate the lease. Anadarko's land department has determined that royalty payments are not applicable unless the gas is sold.

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]
(Signature)
Area Supervisor
(Title)
December 15, 1986
(Date)

Gas must Be Flared
Approved Until March 22, 1987

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date DEC 29 1986

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