

## OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-129  
Revised 10-1-78STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENTC/SF  
Open

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 2-786  
(For Division Use Only)

- A. Applicant, Anadarko Petroleum Corporation,  
whose address is P.O. Drawer 130, Artesia, N.M. 88211-0130,  
hereby requests an exception to Rule 306 for 90 days or until  
December 22, 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 8 barrels per day, the estimated\* volume  
of gas to be flared is 12.6 MCF; Value \$15.13 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 H<sub>2</sub>S 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)  
Area Supervisor  
(Title)  
09/15/87  
(Date)

Gas must Be Flared

Approved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By Mike WilliamsTitle OIL AND GAS INSPECTORDate SEP 22 1987

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