OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-129
Revised 10-1-78

C/SF
Open.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
RECEIVED

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

SEP 22 '87

NFO Permit No. _____Z-787_____

(For Division Use Only)

O. C. D.
ARTESIA, OFFICE

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 __Bradshaw__ Name of Pool __Penasco Draw-Upper Penn.__

Location of Battery: Unit Letter __P__ Section __4__ Township __19S__ Range __25E__

Number of wells producing into battery __1__

B. Based upon oil production of _____20_____ barrels per day, the estimated* volume

of gas to be flared is __13.0__ MCF; Value __$15.60__ per day.

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

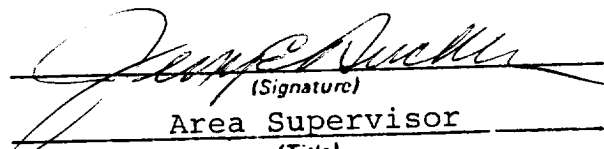__Feagan's Dagger Draw Gas Plant NW/4 22-19S-25E__

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.

Gas Must Be Flared

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.

Approved Until _Further Notice_

NEW MEXICO OIL CONSERVATION DIVISION

By _____

(Signature)

Area Supervisor
(Title)

Title __OIL AND GAS INSPECTOR__

09/15/87
(Date)

Date __SEP 22 1987__

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