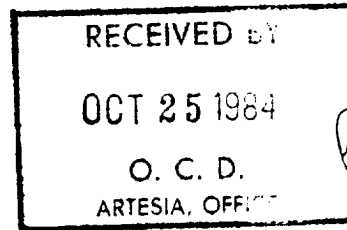


NED MADDOX
1008 W. Pierce, Suite 2-A
Carlsbad, New Mexico 88220
(505) 885-0869



October 19, 1984

United States Department of the Interior
Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221

Re: Ned Maddox ✓
Enfield Federal #1 (NM-20359)
660' FSL & 810' FEL,
Sec. 17, T-24-S, R-28-E
Eddy County, New Mexico

Dear Sir:

Based on the results of a 24 hour gas-oil ratio test made on the above referenced well, we respectfully request your approval, until further notice, of our Application for Exception to No-Flare Rule 306. The results of the test are as follows: 9 Bbls oil, 47.7 Mcf gas, 32 Bbls water.

The closest gas gathering facility, El Paso Natural Gas HNG Oil Co. - Ogden 8 Com #1, 4" gathering line, is approximately one (1) mile from this well. The average line pressure is 600 psi. The estimated cost of connection is \$80,000.00. The well is pumping and would require compression for sales into a 600 psi transmission line.

Based upon oil production of 9 BPD, the estimated volume of gas produced is 47.7 MCFPD and gas to be flared (after lease fuel use for processing and compression) is 27 MCFPD; value \$67.50 per day.

This gas hook-up is not economically feasible because of high capital investment cost and doubtful payout of investment when considering operating costs at gas sales system.

Please return an approved copy of this letter to our office for transmission to the Oil Conservation Commission for their final approval of Exception to No-Flare Rule 306.

Thank you for your attention.

Sincerely,

Rebecca A. Hughes

Rebecca A. Hughes
Production Agent

/rah

Application for flaring approved
Don Wood
10/25/84
Asst. Area Mgr.