



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

August 21, 1987

Rule 306 Exception
for Phillips James A No. 2,
Cabin Lake (Delaware) Pool

RECEIVED

AUG 24 '87

G. C. D.
ARTESIA, OFFICE

Mr. L. A. Clements, Supervisor
New Mexico Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88210

Dear Sir:

In accordance with our discussion on 8/13/87, regarding the subject well, attached is our revised request to flare until compression can be installed. Item B on the attachment reflects the estimated amount of flare gas at the depth bracket oil allowable rate based on a test conducted on 8/14-15/87. During this 24 hour period, 120 barrels of oil, 12.5 barrels of water, and 97 Mcfd of gas were produced while flowing through a 20/64" choke. This equates to a GOR of 808 CF/bbl. At the allowable rate of 146 BOPD, 118 Mcfd of casinghead gas would be produced. Lease fuel requirements amount to 5 Mcfd. Therefore, our estimated flare volume would be 113 Mcfd until compression can be installed, which we expect to be around the first of November, 1987.

We respectfully request your approval of the attached exception application.

Very truly yours,

G. R. Smith
Director, Reservoir Engineering
915-367-1203

NEP:jj

Attachment

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

RECEIVED

AUG 24 87

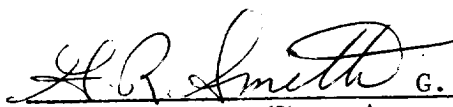
NFO Permit No. _____

(For Division Use Only)

O. C. D.

ARTESIA OFFICE

- A. Applicant, Phillips Petroleum Company
whose address is 4001 Penbrook Street, Odessa, Texas 79762
hereby requests an exception to Rule 306 for about 70 days or until
November 1, 1987, for the following described tank battery (or LACT):
Name of Lease James-A Name of Pool Cabin Lake (Delaware)
Location of Battery: Unit Letter J Section 2 Township 22-S Range 30-E
Number of wells producing into battery 1
- B. Based upon oil production of 146 barrels per day, the estimated* volume
of gas to be flared is 113 MCF; Value Estimate \$1.35/MCF per day.
- C. Name and location of the nearest gas gathering facility:
Low Pressure - Phillips' Big Eddy System (Sec 30, T-20-S, R-31-E -Eddy County)
High Pressure - El Paso's Pipeline (Sec 2, T-22-S, R-30-E, Eddy County)
Phillips - 10 miles \$500,000
- D. Distance El Paso - 1500' Estimated cost of connection \$153,000
- E. This exception is requested for the following reasons:
As noted in C & D above, the nearest low pressure gathering facility
is too far away for Phillips to economically justify connection of the
subject well. (See attached letter from Phillips 66 Natural Gas Company).
Connection to El Paso's high pressure system will require compression
of the casinghead gas produced by the subject well. An exception to
Rule 306 is requested for the subject well until a suitable compressor
can be procured and installed. We estimate this facility will be operational
by November 1, 1987.
- 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)
Reservoir Engineering Director

(Title)
August 21, 1987

(Date)

Approved Until _____

NEW MEXICO OIL CONSERVATION DIVISION

By _____

Title _____

Date _____

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