

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-129
Revised 10-1-78

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306


NFO Permit No. 2-863
(For Division Use Only)

- A. Applicant,** Pogo Producing Company
whose address is P. O. Box 10340, Midland, TX 79702-7340
hereby requests an exception to Rule 306 for 365 days or until
19, for the following described tank battery (or LACT)
Name of Lease S. Malaga 35 State #1 Name of Pool Eddy Undes Group 3
Location of Battery: Unit Letter D Section 35 Township 25S Range 28E
Number of wells producing into battery 1
B. Based upon oil production of 34 barrels per day, the estimated* volume
of gas to be flared is 50 MCF; Value \$43.75 per day.
C. Name and location of the nearest gas gathering facility:
Sid Richardson
D. Distance 4-1/2 miles S. Estimated cost of connection \$60,000

E. This exception is requested for the following reasons:

The cost to install a gas gathering line & connect is \$60,000. The revenue from this installation would be \$43.75/day based on the current gas rate of 50 mcf/day. But, the Delaware has a normal decline of 60%/year which means the project would never payout. Based on this Pogo Producing Company request permission to vent the gas while producing oil and water.

- 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)
Senior Operations Engineer
(Title)
November 29, 1995
(Date)

Approved Until 7/01/96

NEW MEXICO OIL CONSERVATION DIVISION

By ORIGINAL SIGNED BY TIM W. GUM
Title DISTRICT II SUPERVISORDate DEC 12 1995

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