



Mtesca

November 20, 1995

Mr. Tim Gunn
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 Pacheco St.
Sante Fe, New Mexico 87505

Re: Application for Exception to No-Flare Rule 306

Dear Mr. Gunn;

Energy Development Corporation respectfully submits the enclosed Application for Exception to No-Flare Rule 306 (Form C-129). This application is for the Central Battery located in the Twin Lakes Field, Chaves County, New Mexico. Currently the Central Battery handles 200 barrels of oil production and approximately 25 Mcf/Day of gas production. The gas which contains 5% H₂S and 30% CO₂ is currently being transported 8 miles to an Oxy Pipeline. The 8 mile line has very poor integrity and is in great need of repair.

EDC requests that a flaring exception be granted during this time of remedial repair work on the 8 mile pipeline. Although the option of sending the gas to Shoreham pipeline is available, Shoreham will not accept the current quality of gas. Shoreham requires EDC to install an amine unit upstream of their operation costing approximately \$25,000. Due to the low gas production and marginal economics, EDC does not view this option as being feasible.

Your prompt attention to this matter would be greatly appreciated. If you have any questions or if additional information is needed, please contact the undersigned at (713) 750-7536.

Sincerely,
ENERGY DEVELOPMENT CORPORATION

Kimberly A. Dillard, P.E.
Supervisor Regulatory and Environmental Affairs

.cc John Baird
Bill Powell
Reading File

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-129
Revised 4-1-91

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

Submit 3 Copies to
Appropriate District Office

NFO Permit No. 2-862
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

A. Applicant ENERGY DEVELOPMENT CORPORATION

whose address is 1000 LOUISIANA, SUITE 2900, HOUSTON, TEXAS 77002

hereby requests an exception to Rule 306 for 90 days or until

19, for the following described tank battery (or LACT):

Name of Lease Twin Lakes Name of Pool

Location of Battery: Unit Letter N Section 31 Township 8-S Range 29-E

Number of wells producing into battery 123

B. Based upon oil production of 200 barrels per day, the estimated * volume
of gas to be flared is 25 MCF; Value \$18.75 per day.

C. Name and location of nearest gas gathering facility:

Shoreham

D. Distance .5 mile Estimated cost of connection \$25,000* need amine unit

E. This exception is requested for the following reasons: Currently transporting gas (untreated)
8 miles to Oxy Pipeline. The line is in need of repairs due to the corrosive
nature of the gas. Recommended to flare gas to evaluate repairs. Gas
is 30% CO₂ and 5% H₂S.

OPERATOR

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 Kimberly A. Dillard

Printed Name
& Title Kimberly A. Dillard, Supervisor-

Regulatory & Environmental Affairs
Date 11-20-95 Telephone No.

OIL CONSERVATION DIVISION

Approved Until 4/1/96

By John W. Gunn

Title District Supervisor

Date 12/8/95

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