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J. C. D.
ARTESIA, OFFICE

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. _____
(For Division Use Only)

- A. Applicant, Collins Oil & Gas Corporation,
whose address is P.O. Box 2443, Roswell, NM 88202-2443,
hereby requests an exception to Rule 306 for _____ days or until
_____, 19____, for the following described tank battery (or LACT):
Name of Lease Frank "P" #8 Name of Pool Diablo-San-Andres
Location of Battery: Unit Letter P Section 21 Township 10S Range 27E
Number of wells producing into battery 8
B. Based upon oil production of 3 barrels per day, the estimated * volume
of gas to be flared is 4 MCF; Value \$4.00 per day.
C. Name and location of the nearest gas gathering facility:
Enron High Pressure line within 1 mile
D. Distance 1 mile Estimated cost of connection \$ 150.000 +
E. This exception is requested for the following reasons:

There are no low pressure gas lines in the area as they have filed
for bankruptcy. The only gas line is a high pressure line. The gas
would have to be stripped and compressed creating a economical hardship
with a cost estimate exceeding \$150.000. The well, currently make less
gas due to reservoir drainage from depletion of oil reserves. This
well currently makes 3 bbl. of oil per day. It would be more economical
to plug the well rather than sell the gas. 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.

Ray M. Collins
(Signature)
Pres. Collins Oil & Gas Corp.
(Title)
3-7-91
(Date)

Approved Until Further Notice
NEW MEXICO OIL CONSERVATION DIVISION
ORIGINAL SIGNED BY
By MIKE WILLIAMS
Title SUPERVISOR, DISTRICT II
Date MAR 14 1991

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