

NFO Permit No. 2-795
(For Division Use Only)

A. Applicant, S & J Operating Company,
whose address is P. O. Box 2249, Wichita Falls, TX 76307,
hereby requests an exception to Rule 306 for life of the lease
, 19, for the following described tank battery (or LACT):
Name of Lease East Millman Pool Unit Name of Pool Millman (Q-G) East
Location of Battery: Unit Letter 0 Section 12 Township 19S Range 28E
Number of wells producing into battery 11

B. Based upon oil production of 5.8 barrels per day, the estimated * volume
of gas to be flared is 3.6 MCF; Value \$4.85 per day.

C. Name and location of the nearest gas gathering facility:
Phillips Petroleum - Artesia Plant

D. Distance - Estimated cost of connection -

E. This exception is requested for the following reasons: There are eleven (11) producing wells
on the East Millman Pool Unit producing approx. 101 BOPD. Six (6) of these
eleven (11) wells have had a gas gathering system installed. The remaining
five (5) wells produce approx. 3.6 MCFD; therefore these wells cannot economi-
cally justify laying gathering lines. Also, shutting in the casing valve causes
a significant reduction in oil production.

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.

Approved Until Further Notice

Sandy Robertson
(Signature)
Petroleum Engineer
(Title)
June 1, 1988
(Date)

Approved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams

Title OIL AND GAS INSPECTOR

Date JUN 13 1988