

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2018
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March 16, 1979

Mr. Conrad F. Coffield
Hinkle, Cox, Eaton, Coffield & Hensley
Attorneys at Law
Box 3500
Midland, Texas 79702

Dear Mr. Coffield:

Pursuant to your letter of March 13, 1979, this is to advise that the Morris R. Antweil Landlady No. 1, located in Unit B of Section 8, Township 12 South, Range 32 East, Lea County, New Mexico, will be classified as an oil well. The maximum allowable for this well would be 365 barrels of oil and 730 MCF of gas per day.

Since the well does not have a gas connection any gas produced would have to be flared. Flaring 730 MCF gas per day would mean a loss of some \$1400 per day and would certainly be regarded by the Division as a wasteful practice. Division Rule 306 would permit the well to flare gas for 60 days. After that period the operator could request continued flaring but this would be denied and the well would be ordered shut-in until a gas connection is obtained. I should point out that flaring the well 60 days would result in a loss of some \$84,000 worth of gas. So the operator should be encouraged to shut-in the well until gas can be sold.

The Division would certainly cooperate with the operator for any testing or if the operator needs to produce the well to maintain lease ownership. However, I would encourage the Land Office to permit complete shut-in of the well until all products can be properly marketed.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

cc: Morris R. Antweil
Ray Graham