

SOUTHERN UNION SUPPLY COMPANY  
FIDELITY UNION TOWER  
DALLAS, TEXAS 75201

September 17, 1976

State of New Mexico  
Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton, District Director

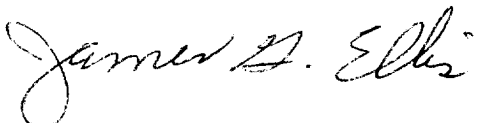
Re: Exception to No-Flare Rule 306  
Southern Union Supply Company  
Pennzoil State #1  
660' FEL & 1980' FNL  
Section 18-17S-34E  
Lea County, New Mexico  
Wildcat (Cisco)

Dear Jerry:

The 60 day preliminary test period on the captioned well expires on October 9, 1976. To date with the exception of cleanup after acidizing, the well has been produced only 48 hours, for the NMOCC test we filed with your office. We are negotiating with Phillips for a casinghead gas connection, however we feel this will not be consummated for several months. In the interim period, we wish to perform a 30 day reservoir limits test toward possibly drilling an offset to the east on a State Lease. This testing period would exceed the 60 day period by approximately ten days.

Since gas has been flared only two days since completion and since an exception would be expedient toward maintaining a development drilling program on State Land to evaluate this newly discovered Cisco reservoir, it is requested that an exception be granted to complete the 30 day reservoir limit test or until November 1, 1976, whichever comes first.

Respectfully submitted,



James G. Ellis  
Chief Petroleum Engineer

JGE:mt

RECEIVED

FEB 21 1978  
OIL CONSERVATION COMM.  
HOBBBS, R. M.