

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
Submit 3 Copies to
Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised 4-1-91

NFO Permit No.

2-939
(For Division Use Only)

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

- A. Applicant YATES PETROLEUM CORPORATION (30-015-26497)
whose address is 105 S. Fourth Street Artesia, NM 88210
hereby requests an exception to Rule 306 for _____ days or until
the well is plugged or connected to pipeline, 20 _____ for the following described tank battery (or LACT):
Name of Lease Loving AIB State #1 & #2 Name of Pool Delaware
Location of Battery: Unit Letter G Section 16 Township 23S Range 28E
Number of wells producing into battery 2 (Two)
- B. Based upon oil production of _____ barrels per day, the estimated * volume
of gas to be flared is #1 = 31 & #2 = 40 MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
N/A
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: No facilities available.

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 Su'Ann Rogers

Printed Name & Title Su'Ann Rogers - Regulatory Compliance Tech.

Date 11/30/04 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 12-1-2005

By [Signature]

Title Wild Dog #2

Date DEC 3 2004

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

RECEIVED
DEC 2 2004
OCD-ARTESIA