District I

District III

District IV

1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210

1000 Rio Brazos Road, Aztec, NM 87410 APR 1 5 2013

State of New Mexico ergy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

NFO Permit No. (For Division Use Only)

1220 S. St. Francis Dr., Santa Fe, NM 87505 ARTESIA

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A.	Applicant Yates Petroleum Corporation,
	whose address is105 S Fourth Street _Artesia, NM 88210,
	hereby requests an exception to Rule 19.15.18.12 for 90 days or until
	, Yr, for the following described tank battery (or LACT):
	Name of Lease <u>Marcel BMM Federal #1H</u> Name of Pool <u>County Line Tank; Wolfcamp</u>
	Location of Battery: Unit Letter Lot 1 Section 1 Township 16S Range 29E
	Number of wells producing into battery 1 API #30-015-36845
B.	Based upon oil production of 81 barrels per day, the estimated * volume
	of gas to be flared is 1277 monthly MCF; Value per day.
C.	Name and location of nearest gas gathering facility:
	DCP Midstream
D.	DistanceEstimated cost of connection
E.	This exception is requested for the following reasons:
	due to abnormal system pressures in the DCP lines
	The possibility to flare will not be consistent; therefore, the volume above can easily fluctuate.
Division have be	hat the rules and regulations of the Oil Conservation en complied with and that the information given above lete to the best of my knowledge and belief. OIL CONSERVATION DIVISION Approved Until
Signature	Lum Worales By Lade
Printed Name & Title Mir	riam Morales – Production Analyst Title Drs + Francisco
	ss mmorales@yatespetroleum.com Date April 15 - 2013
Date 4/6	7//3 Telephone No. 575-748-1471

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

- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire.
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here

41572013

NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 811 SOUTH FIRST STREET ARTESIA, NM 88210 (575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

- 1. Venting gas is absolutely not allowed.
- **2.** Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
- 3. Flared volumes of gas are to be metered & reported.
- 4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
- 5. Flares WILL NOT be left unattended.
- 6. No flaring operations to be conducted during red-flag days. http://www.gacc.nifc.gov/swcc (go to "Predictive Services" on SWCC website) to check for red flag warnings.
- 7. Follow safe practices for flaring guidelines.
- **8.** Permit may be rescinded at any time by NMOCD.
- 9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.
- 10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
- 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.