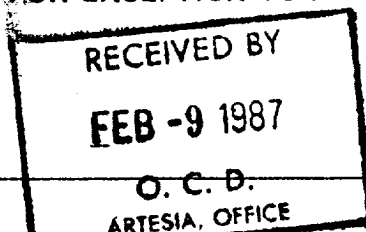


APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306



NFO Permit No. 2-769  
(For Division Use Only)

- A. Applicant, Harvey E. Yates Company,  
whose address is P. O. Box 1933, Roswell, New Mexico 88201,  
hereby requests an exception to Rule 306 for 365 days or until  
February 1, 1988, for the following described tank battery (or LACT):  
Name of Lease Forehand #2 Name of Pool Forehand Ranch Delaware  
Location of Battery: Unit Letter K Section 15 Township 23S Range 27E  
Number of wells producing into battery One
- B. Based upon oil production of 5 barrels per day, the estimated \* volume  
of gas to be flared is 1 MCF; Value NA per day.
- C. Name and location of the nearest gas gathering facility:  
NA
- D. Distance NA Estimated cost of connection \_\_\_\_\_
- E. This exception is requested for the following reasons:  
Gas is uneconomical to produce.

- 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.

Layne Collins  
(Signature)  
Production Analyst  
(Title)  
February 5, 1987  
(Date)

Approved Until Further Notice

NEW MEXICO OIL CONSERVATION DIVISION

By Mike Williams  
Title OIL AND GAS INSPECTOR  
Date FEB 16 1987

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