

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  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-129  
Revised 4-1-91

NFO Permit No. 2-910  
(For Division Use Only)

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

A. Applicant Yates Petroleum Corporation,  
whose address is 105 South Fourth Street - Artesia, NM 88210,  
hereby requests an exception to Rule 306 for indefinite days or until  
19, for the following described tank battery (or LACT):

Name of Lease Bat ARO Federal #1 Name of Pool Crooked Creek Morrow

Location of Battery: Unit Letter E Section 34 Township 23S Range 24E

Number of wells producing into battery One (1)

B. Based upon oil production of 0 barrels per day, the estimated \* volume  
of gas to be flared is 100± MCF; Value \$200 per day.

C. Name and location of nearest gas gathering facility:

El Paso Natural Gas Company

D. Distance 6 miles Estimated cost of connection \$100,000±

E. This exception is requested for the following reasons: Test well for economical  
production before laying pipeline

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 Rusty Klein

Printed Name

& Title Rusty Klein, Operations Technician

Date Feb. 1, 199 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until Aug 8, 1999

By ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Title

Date 2-8-99

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