

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy 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)

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 HOBBS OCD,
whose address is 105 S. Fourth Street Artesia, NM 88210 JUL 20 2015,
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
October 1st, Yr 2015, for the following described tank battery (or LACT):

Name of Lease Atoka Heartthrob Battery Name of Pool Triple X; Bone Spring, West

Location of Battery: Unit Letter B Section 17 Township 24S Range 33E
API# 1: 30-025-41055
API# 2: 30-025-41058
API# 3: 30-025-41056
API# 4: 30-025-41057

Number of wells producing into battery 4

B. Based upon oil production of 724 barrels per day, the estimated * volume
of gas to be flared is 70 +/- daily MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Agave

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: _____

Request permission to flare due to abnormal system pressure in the pipeline.

The possibility of flare will not be consistent, therefore, the volume above can
easily fluctuate.

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 _____

Printed Name _____

& Title Julie Steele - Production Analyst

E-mail Address JSteele@yatespetroleum.com

Date 7-8-2015

Telephone No. 575-748-4208

OIL CONSERVATION DIVISION

Approved Until 10/1/2015

By Markus Brown

Title Dist Supervisor

Date 7/20/2015

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

JUL 21 2015