

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.

I-719-M
 (For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant YATES PETROLEUM CORPORATIONwhose 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 Tex-Gulf AEN St. #1-Y Name of Pool SanMal QueenLocation of Battery: Unit Letter P Section 2 Township 17S Range 33ENumber of wells producing into battery One (1) 30-025-29889
 B. Based upon oil production of 3 barrels per day, the estimated * volume
 of gas to be flared is TSTM MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Dynegy EnergyD. Distance 2 Miles East Estimated cost of connection _____E. This exception is requested for the following reasons: It is uneconomical to lay a 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

Elaina DavisPrinted Name
& TitleElaina Davis - Production ClerkDate 1/5/2007Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until

1/12/08

By

Larry W. Wink

Title

OC FIELD REPRESENTATIVE II/STAFF MANAGER

Date

JAN 16 2007

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