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

1000 Rio Brazos Road, Aztec, NM 87410

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

District III ___

District IV

State of New Mexico Energy Minerals and Natural Resources OBBS OCD

Form C-129 Revised August 1, 2011

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

Submit one copy to appropriate District Office

NFO Permit RECEIVED

(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. | ApplicantYates Petroleum Corporation, |
|---|---|
| | whose address is105 S. Fourth Street Artesia, NM 88210, |
| | hereby requests an exception to Rule 19.15.18.12 fordays or until |
| | Aug. 19 , Yr 2015, for the following described tank battery (or LACT): |
| | Name of Lease <u>Mamba BQN St. COM #2H Battery</u> Name of Pool <u>Bone Spring</u> |
| | Location of Battery: Unit Letter Section 30 Township 24S Range 33E Mamba #2 - 30-025-41648 Number of wells producing into battery 2 Mamba #1 - 30-025-40039 |
| B. | Based upon oil production ofbarrels per day, the estimated * volume |
| C. | of gas to be flared is 457 +/- daily MCF; Value per day. Name and location of nearest gas gathering facility: Agave |
| D. | DistanceEstimated cost of connection |
| E. | This exception is requested for the following reasons: |
| | Due to irregular line pressures in the pipeline. |
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| | |
| Division have being true and comples Signature Printed Name & TitleGar | OIL CONSERVATION DIVISION Approved Until 8/19/2015 By Title Dist Supervision By Title Dist Supervision By Title Dist Supervision By Title Dist Supervision Date 5/12/2015 |

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