

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

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

NFO Permit No. I-905
(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 S FOURTH STREET ARTESIA, NM 88210,
hereby requests an exception to Rule 306 for one (1) year days or until

_____, 19____, for the following described tank battery (or LACT):

Name of Lease CONTINENTAL APJ #3 Name of Pool BONE SPRINGS Delaware

Location of Battery: Unit Letter _____ Section 28 Township 23S Range 32E

Number of wells producing into battery 1

B. Based upon oil production of _____ barrels per day, the estimated * volume
of gas to be flared is 47 MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:
DUKE ENERGY

D. Distance 1/2 mile Estimated cost of connection _____

E. This exception is requested for the following reasons: WAITING ON PIPELINE

FILED
Hobbs
OCD

OPERATOR

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 Donna Clack

Printed Name
& Title DONNA CLACK REGULATORY COMPLIANCE

Date 3-7-03 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 9/10/03

By ORIGINAL SIGNED BY
PAUL F. KAUTZ
Title PETROLEUM ENGINEER

Date MAR 17 2003

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