District I 1625 N. French Dr., Hobbs, NM, 88240 State of New Mexico Energy Minerals and Natural Resources

Form C-129 Revised August 1, 2011

District II 811 S. First St., Artesia, NM 88210 HOE3S OCD

Submit one copy to appropriate District Office

District III 1220 S. St. Francis Dr., Santa Fe, NM 87505 1000 Rio Brazos Road, Aztec, NM 87410

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

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.	ApplicantYates Petroleum Corporation,			
	whose address is105 S Fourth Street Artesia, NM 88210,			
	hereby requests an exception to	Rule 19.15.18.12 for	90	days or unti
	, Yr, for the following described tank battery (or LACT):			
	Name of Lease Berry APN State Name of Pool Delaware- Bone Spring			
	Location of Battery: Unit Lette	#1 AP	I #30-025-27250	
	Number of wells producing into	o battery <u>2</u> #2 AP	<u>1 #30-025-40374</u>	
В.	Based upon oil production ofbarrels per day, the estimated * volume			
	of gas to be flared is1,300 +/	/- monthly MCF; Va	lue	per day.
C.	Name and location of nearest gas gathering facility:			
	DCP Midstream			
D.	DistanceEstimated cost of connection			
E.	This exception is requested for the following reasons:			
	due to abnormal system pressures in the DCP lines			
	The possibility to flare will not be consistent; therefore, the volume above can easily fluctuate.			
OPERATOR			SERVATION DIVISION	
Division have be	that the rules and regulations of the Oil C een complied with and that the information plete to the best of my knowledge and bel	on given above Approved	1 Until 8 - 30 -	2013
Signature	Line & Grales	By 2	Ful	
Printed Name	e i <u>riam Mo</u> rales –Production Analys	Title	DEF. NOR	
	E-mail Address mmorales@yatespetroleum.com		5-9-201	3
		om Date		

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