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 HOBBS OCD Oil Conservation Division

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)

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NOV 1 4 2013

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 Con | rporation, |
| | whose address is105 S. Fourth Street Artesia, NM 88210, | |
| | hereby requests an exception to Rule 19.3 | 15.18.12 for days or until |
| | Feb. 25 , Yr 2014 , for the following described tank battery (or LACT): Name of Lease Coachman State #1 Name of Pool SE Chaves QN Gas Area Assoc. | |
| | | |
| | Location of Battery: Unit Letter A | Section 23 Township 12S Range 31E |
| | Number of wells producing into battery 1 API 30-005-21147 | |
| В. | Based upon oil production of1_ | barrels per day, the estimated * volume |
| | of gas to be flared isTSTM | MCF; Valueper day. |
| C. | Name and location of nearest gas gathering facility: | |
| | Frontier Field Services Sec. 4-T31S-R31E | |
| D. | Distance 2 miles Estimated cost of connection | |
| E. | This exception is requested for the following reasons: | |
| | Volume of gas is too small to flare and measure | |
| | | |
| | | |
| | | |
| 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. OIL CONSERVATION DIVISION Approved Until 2/28/2014 | | |
| Signature | Jose Marles | - By Majey Brown |
| Printed Name & Title <u>Miriam Morales – Production Analyst</u> | | Title COMPLIANCE OFFICER |
| E-mail Addr | ress_mmorales@yatespetroleum.com | Date 11/18/2013 |
| Date 4/13 | 7 Telephone No. 575-748-1471 | |

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