HOBBS OCD

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

State of New Mexico Energy Minerals and Natural Resources

1 Conservation Division 20 South St. Francis Dr. Santa Fe, NM 87505

Form C-129 NOV 1 9 2014 Revised August 1, 2011

> Submit one copy to appropriate District Office

NFO Permit

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(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) Applicant Yates Petroleum Corporation A. whose address is 105 S. Fourth Street Artesia, NM 88210 hereby requests an exception to Rule 19.15.18.12 for 90 days or until , Yr 2015, for the following described tank battery (or LACT): Feb. 17 Name of Lease Coachman State #1 Name of Pool Location of Battery: Unit Letter A Section 33 Township 12S Range 31E Number of wells producing into battery 1 API # 3000521147 B. Based upon oil production of 4 barrels per day, the estimated * volume of gas to be flared is TSTM MCF; Value Name and location of nearest gas gathering facility: . C. Frontier Field Services Sec. 4- T31S R31E Distance Estimated cost of connection D. This exception is requested for the following reasons: E. volume of gas is too small to flare or measure OIL CONSERVATION DIVISION **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. Approved Until Signature ' By Printed Name Title & Title Garrett Sanders - Production Analyst Date E-mail Address GSanders@yatespetroleum.com

Telephone No. 575-748-1471

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