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

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

NFO Permit

HOBBS OCD Form C-129

NOV 1 9 2014 Revised August 1, 2011 Submit one copy to appropriate District Office

No.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.	Applicant Yates Petroleum Corporation ,	
	whose address is105 S Fourth Street Artesia, NM 88210,	
	hereby requests an exception to Rule 19.15.18.12 for 90 days days or until	
	Feb. 17, Yr 2015, for the following described tank battery (or LACT):	
	Name of Lease <u>Berry APN State #2H</u> Name of Pool <u>Delaware; Bone Springs</u>	
	Location of Battery: Unit Letter <u>M</u> Section <u>5</u> Township <u>21S</u> Range <u>34E</u>	
	Number of wells producing into battery1_API #30-025-40374	
B.	Based upon oil production ofbarrels per day, the estimated * volume	
	of gas to be flared is 160 +/- monthly MCF; Value 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 DCP lines	
	The possibility to flare will not be consistent, therefore, the volume above can easily fluctuate	
OPERATOR L hereby certify the	that the rules and regulations of the Oil Conservation OIL CONSERVATION DIVISION	
Division have be	een complied with and that the information given above plets to the best of myknowledge and belief. Approved Until 2/17/2015	
Signature	By Majeys Brown	
Printed Name	e Title Dist Scale in a constant	
	The sanders - Frontiction Analysi	
E-mail Addre	ess_GSanders@yatespetroleum.com Date	
Date . 7.	Telephone No. 575-748-1471	

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