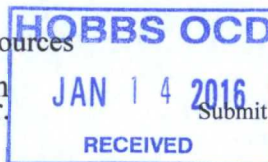


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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



Form C-129
Revised August 1, 2011

Submit one copy to appropriate
District Office

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. Applicant Yates Petroleum Corporation,
whose address is 105 S. 4th Street, Artesia, NM 88210,
hereby requests an exception to Rule 19.15.18.12 for 90 days or until
March 30,, Yr 2016, for the following described tank battery (or LACT):
Name of Lease Resolute BTO Federal Com #2H Name of Pool Bone Spring
Location of Battery: Unit Letter G Section 24 Township 25S Range 32E
Number of wells producing into battery API # 30-025-41452
- B. Based upon oil production of 300 approx _____ barrels per day, the estimated * volume
of gas to be flared is apprx 600 +/- day MCF; Value _____ per day.
- C. Name and location of nearest gas gathering facility:
Agave
- D. Distance _____ Estimated cost of connection _____
- E. This exception is requested for the following reasons: _____
Waiting on Agave to increase CO2 treating capacity.

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.

Signature Michelle Taylor

Printed Name
& Title Michelle Taylor-Reg. Rept. Mgr

E-mail Address michelle@yatespetroleum.com

Date 1-12-16 Telephone No. 575-748-4205

OIL CONSERVATION DIVISION

Approved Until 4/12/2016

By Markus Brown

Title Dist Supervisor

Date 1/19/2016

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

JAN 19 2016