HOBBS OCD District I 1625 N. French Dr., Hobbs, NM 88240 District II SEP 01 2016 District III District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 ECEIVED

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)

А.	A. Applicant <u>Yates Petroleum Corporation</u> , whose address is <u>105 S. Fourth Street, Artesia, NM 88210</u> ,	
	hereby requests an exception to Rule 19.15.1	8.12 fordays or until
	<u>August 30 – November 30</u> , Yr <u>2016</u> , for the following described tank battery (or LACT): Name of Lease <u>Basilisk BQS State Com #1H</u> Name of Pool <u>Bone Spring</u>	
	Location of Battery: Unit Letter <u>N</u> Sect	ion <u>36</u> Township <u>24S</u> Range <u>32E</u>
	Number of wells producing into battery <u>1 well, API 30-025-40054</u>	
В.	Based upon oil production of <u>27</u> barrels per day, the estimated * volume	
	of gas to be flared is <u>193 +/- Daily</u> MO	CF; Value per day.
C.	Name and location of nearest gas gathering facility:	
D.	DistanceEstimated cost of connection	
E.	This exception is requested for the following reasons: <u>Requesting permission to flare due to abnormal</u>	
	system pressures in Agave lines. The possibility of flare will not be consistent; therefore, the volume above	
	can easily fluctuate.	
Start Start and Start		
OPERATOR I hereby certify that the rules and regulations of the Oil Conservation		OIL CONSERVATION DIVISION
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 11/30/2016
Signature Mina fuerta		By MapySBrown
Printed Name		Title Dist Supervisor
& Title <u>Tina Huerta, Regulatory Reporting Supervisor</u> E-mail Address <u>tinah@yatespetroleum.com</u>		Date 9/1/2016
Date: August 30, 2016 Telephone No: 575-748-4168		
Date. August 50, 2010 Telephone NO. 575-746-4106		

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

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