District I 1625 N. French Dr., Hobbs, NM 8824010BBS OCD

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. Fourth Street, Artesia, NM 88210 , | | |
|--|----------|---|--|---------------|
| | | | | |
| | | hereby requests an exception to Rule 19.15.18.12 for | | days or until |
| | | August 30 – November 30 , Yr 2016 , for the following described tank battery (or LACT): Name of Lease Caravan & Convoy Btty Name of Pool Bone Spring Location of Battery: Unit Letter C Section 33 Township 248 Range 33E API #6H 30-025-41610 API #7H 30-025-41655 API #8H 30-025-41641 API #9H 30-025-41641 API #10H 30-025-41744 Number of wells producing into battery 6 wells, API #2H 30-025-41642 | | |
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| | В. | Based upon oil production of barrels per day, the estimated * volume | | |
| | | of gas to be flared is731 +/- Daily MO | CF; Value | per day. |
| | C. | Name and location of nearest gas gathering facility: | | |
| | D. | DistanceEstimated c | ost of connection | |
| | E. | This exception is requested for the following reasons: Requesting permission to flare due to abnormalized abnormalized in the following reasons: | | |
| | | system pressures in Agave lines. The possibility of flare will not be consistent; therefore, the volume above | | |
| | | can easily fluctuate. | | |
| | | | | |
| 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 1 30 By Maluy Sha | 2016 |
| Printed Name | | | Title Dist Sup | en line |
| 1 Title Tima Huerta, Regulatory Reporting Supervisor | | | Date 9/1/20 | lle |
| | | 30, 2016 Telephone No: 575-748-4168 | | |
| Gas-0 | Oil rati | o test may be required to verify estimated gas | volume. | Y |