

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
OCT 14 2004

Form C-129
Revised June 10, 2003

Submit 3 Copies to appropriate
District Office

OIL CONSERVATION
DIVISION

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Yates Petroleum Corporation,
whose address is 105 South 4th Street Artesia, New Mexico 88210,
hereby requests an exception to Rule 306 for 45 days or until
November 27, Yr 2004, for the following described tank battery (or LACT):
Name of Lease Laverne BVD Name of Pool Wildcat Strawn
Location of Battery: Unit Letter P Section 24 Township 10N Range 26E
Number of wells producing into battery 1
- B. Based upon oil production of 0 barrels per day, the estimated * volume
of gas to be flared is 1500 MCF; Value \$6750 per day.
- C. Name and location of nearest gas gathering facility:
PNM Pipeline Sec. 9-10N-31E
- D. Distance 35 Miles Estimated cost of connection \$6,690,000
- E. This exception is requested for the following reasons: 1. To perform an extended production
test to determine productive capacity of well. 2. To determine quantity of producible reserves
to establish economic viability. 3. To determine water volumes associated with gas.

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

Sam Brandon

Printed Name

& Title Sam Brandon Operations Engineer

E-mail Address sbrandon@ypcnm.com

Date 10-12-04

Telephone No. (505) 748-4281

OIL CONSERVATION DIVISION

Approved Until

Nov. 27, 2004

By

[Signature]

Title

DISTRICT SUPERVISOR

Date

10/15/04

* Daily production volumes to be
reported to this office at the
conclusion of the test.

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

RJP