

RECEIVED

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
Submit 3 Copies to
Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-129
Revised 4-1-91

NFO Permit No. 2-936
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

30-005-63539

A. Applicant **YATES PETROLEUM CORPORATION**

whose address is 105 S. Fourth Street Artesia, NM 88210

hereby requests an exception to Rule 306 for _____ days or until

the well is plugged or connected to pipeline, 20 _____ for the following described tank battery (or LACT):

Name of Lease Starkissed AWS St. #2 Name of Pool Mesa Diablo Siluro Devonian

Location of Battery: Unit Letter E Section 3 Township 10S Range 27E

Number of wells producing into battery One (1)

B. Based upon oil production of 55 barrels per day, the estimated * volume
of gas to be flared is 20 MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Agave Energy

D. Distance 3 Miles Estimated cost of connection _____

E. This exception is requested for the following reasons: It is uneconomical to lay a pipeline.

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 Su'Ann Rogers

Printed Name & Title Su'Ann Rogers - Regulatory Compliance Tech.

Date 6/17/04 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 1-1-05

By [Signature]

Title _____

Date JUN 25 2004

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