

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

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 October 15, 2009  
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. 4<sup>th</sup> St., Artesia, NM 88210,  
hereby requests an exception to Rule 19.15.18.12 for 1-2 days per month until  
February 1, Yr 2012, for the following described tank battery (or LACT):  
30-015-37549  
Name of Lease B. Graham BPU State #1H Name of Pool Bone Springs  
Location of Battery: Unit Letter M Section 1 Township 26S Range 28E  
Number of wells producing into battery 1
- B. Based upon oil production of 20 approx. barrels per day, the estimated \* volume  
of gas to be flared is 800 approx MCF; Value \_\_\_\_\_ per day.
- C. Name and location of nearest gas gathering facility:  
DCP
- D. Distance 7 mi. approx Estimated cost of connection \_\_\_\_\_
- E. This exception is requested for the following reasons: Due to CO2 content, DCP plant is unable to  
accept gas until additional equipment is installed. Under Rule 19.15.18.12.B. we are requesting this  
periodic flaring to prevent undue hardship in regards to lease agreement.

**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

Miriam Morales

Printed Name

& Title Miriam Morales- Production Analyst

E-mail Address mmorales@yatespetroleum.com

Date 9/28/11 Telephone No. 575-748-1471

**OIL CONSERVATION DIVISION**

Approved Until Feb 1 - 2012

By

RR Dade

Title

DIST II Supervisor

Date

Oct 24-2011

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

**NEW MEXICO OIL CONSERVATION DIVISION  
DISTRICT 2 OFFICE  
811 SOUTH FIRST STREET  
ARTESIA, NM 88210  
(575)748-1283**

**CONDITIONS OF APPROVAL for FLARING or VENTING GAS**

1. Venting gas is absolutely not allowed.
2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
3. Flared volumes of gas are to be metered & reported.
4. Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
5. Flares WILL NOT be left unattended.
6. No flaring operations to be conducted during red-flag days.  
<http://www.gacc.nifc.gov/swcc> (go to "Predictive Services" on SWCC website) to check for red flag warnings.
7. Follow safe practices for flaring guidelines.
8. Permit may be rescinded at any time by NMOCD.
9. If well is able to be connected to a gas gathering system, it will be done so as soon as possible.

Your initials here *RD*

*10* 12/11 2011