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)

hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above strue and complete to the best of my knowledge and belief. Signature Printed Name Title Miriam Morales-Production Analyst Approved Until POST IN September Title Oct 147 - 2011	A.	A. Applicant <u>Yates Petroleum Corporation</u> ,		
	whose address is105 S. 4 Th St., Artesia, NM 88210			
Name of Lease Pinochle BNP State Com #2H Name of Pool Bone Springs Location of Battery: Unit Letter D Section 22 Township 25S Range 28E Number of wells producing into battery 1 B. Based upon oil production of 31 approx. barrels per day, the estimated * volume of gas to be flared is 350 approx MCF; Value per day. C. Name and location of nearest gas gathering facility: DCP D. Distance 3 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. DPERATOR hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above strue and complete to the Set of my knowledge and belief. Signature American American Signature American Miriam Morales-Production Analyst Title Miriam Morales-Production Analyst Title Miriam Morales-Production Analyst Title Miriam Morales-Production Analyst		hereby requests an exception to Rule 19.15.1	8.12 for <u>1-2 days per month</u> until	
Name of Lease Pinochle BNP State Com #2H Name of Pool Bone Springs Location of Battery: Unit LetterDSection22Township _25SRange _28E Number of wells producing into battery1 B. Based upon oil production of31 approxbarrels per day, the estimated * volume of gas to be flared is350 approx MCF; Valueper day. C. Name and location of nearest gas gathering facility:		<u>February 1</u> , Yr <u>2012</u> ,	for the following described tank battery (or LACT):	
Number of wells producing into battery1 B. Based upon oil production of31 approxbarrels per day, the estimated * volume of gas to be flared is350 approxMCF; Valueper day. C. Name and location of nearest gas gathering facility:		Name of Lease <u>Pinochle BNP State Com #2</u>		
B. Based upon oil production of31 approx		Location of Battery: Unit LetterD	Section <u>22</u> Township <u>25S</u> Range <u>28E</u>	
of gas to be flared is350 approxMCF; Valueper day. C. Name and location of nearest gas gathering facility:		Number of wells producing into battery1_		
C. Name and location of nearest gas gathering facility: DCP D. Distance 3 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. DPERATOR hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above strue and complete to the best of my knowledge and belief. Signature And Market Title Miriam Morales- Production Analyst Title Miriam Morales- Production Analyst DIL CONSERVATION DIVISION Approved Until Pers 1-2012 By Added Title Miriam Morales- Production Analyst Title Miriam Morales- Production Analyst	В.	Based upon oil production of 31 approx.	barrels per day, the estimated * volume	
D. Distance 3 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. DPERATOR 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 Aurieum Aurieum By		of gas to be flared is <u>350 approx</u> N	MCF; Valueper day.	
D. Distance 3 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. DPERATOR 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 American Morales Production Analyst Title Miriam Morales Production Analyst Title DST P Supermora	C.	Name and location of nearest gas gathering facility:		
E. This exception is requested for the following reasons:		DCP		
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. DPERATOR 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. Bignature Printed Name Re Title Miriam Morales- Production Analyst Title Description Title Title Title Title Title Title Miriam Morales- Production Analyst	D.	Distance 3 mi. approx Estimated cost of connection		
periodic flaring to prevent undue hardship in regards to lease agreement. DPERATOR hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above strue and complete to the best of my knowledge and belief. Bignature Printed Name & Title Miriam Morales- Production Analyst Description OIL CONSERVATION DIVISION Approved Until 4-13 /- 20/12 By Archer Title 187 The September Title 187 The September Out of the Oil Conservation Approved Until 4-13 /- 20/14	E.	This exception is requested for the following reasons:Due to CO2 content, DCP plant is unable to		
DPERATOR hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above strue and complete to the best of my knowledge and belief. Bignature Printed Name Title Miriam Morales- Production Analyst OIL CONSERVATION DIVISION Approved Until 963 /- 20/2 By Safewiso		accept gas until additional equipment is installed. Under Rule 19.15.18.12.B. we are requesting this		
OPERATOR 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 Printed Name Re Title Miriam Morales- Production Analyst OIL CONSERVATION DIVISION Approved Until 463 /- 20/2 By 37 PSylvinor Title DST PSylvinor Description Division Approved Until 47 PSylvinor Title DST PSylvinor Description Division Approved Until 47 PSylvinor Title DST PSylvinor Description Division Approved Until 47 PSylvinor Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. By 37 PSylvinor Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. By 37 PSylvinor Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. By 37 PSylvinor Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. By 37 PSylvinor Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. By 37 PSylvinor Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. By 37 PSylvinor Division have been complete to the best of my knowledge and belief. By 37 PSylvinor Division have been complete to the best of my knowledge and belief. By 47 PSylvinor Division have been complete to the best of my knowledge and belief. By 47 PSylvinor Division have been complete to the best of my knowledge and belief. By 47 PSylvinor Division have been complete to the best of my knowledge and belief.		periodic flaring to prevent undue hardship in regards to lease agreement.		
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 Printed Name Re Title Miriam Morales-Production Analyst Approved Until Printed Name Title Nort Nor				
Printed Name & Title Miriam Morales- Production Analyst Approved Until 763 /- 20/2 By Stewson Title North September Title North Sept				
Printed Name & Title Miriam Morales- Production Analyst Title DST P Sependison Details 19 11 11 11 11 11 11 11 11 11 11 11 11	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 9eB 1-2012	
& Title Miriam Morales-Production Analyst Title D/S/ F1 Coffee D/S/ S1 Coffee D/	Signature A Suian Morales		By Bale	
E-mail Address <u>mmorales@yatespetroleum.com</u> Date <u>Oct 34 - 2011</u>			Title DIST IP Supervisor	
i e e e e e e e e e e e e e e e e e e e	E-mail Address_ <u>mmorales@yatespetroleum.com</u>		Date Oct 24 - 2011	
Date 9/28/11 Telephone No. 575-748-1471				

^{*} 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 APD

10/3/1 2011