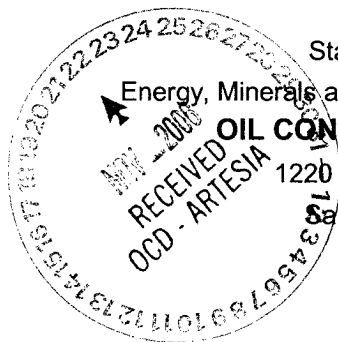




P.O. Box 1500 Hobbs, NM 88241-1980
 DISTRICT III
 P.O. Box 1500, Artesia, NM 88211-0719
 DISTRICT III
 1000 Rio Brazos Rd, Aztec, NM 87410
 Submit 3 Copies to
 Appropriate District Office



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

***RESUBMITTED**

NFO Permit No. _____

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

30-015-21675

A. Applicant YATES PETROLEUM CORPORATION

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

hereby requests an exception to Rule 306 for 1 year days or until

20 for the following described tank battery (or LACT):

Name of Lease Sowers FB Com #1 Name of Pool Eagle Creek Permo-Penn

Location of Battery: Unit Letter E Section 34 Township 17S Range 25E

Number of wells producing into battery One (1)

B. Based upon oil production of 3 barrels per day, the estimated * volume
 of gas to be flared is NOT MEASUREABLE MCF; Value N/A per day.

C. Name and location of nearest gas gathering facility:

N/A

D. Distance N/A Estimated cost of connection _____

E. This exception is requested for the following reasons: Plunger lift operations. A small amount of gas is vented each
day during plunger lift cycle.

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 Elaina Davis

Printed Name & Title Elaina Davis - Regulatory Compliance Tech.

Date 11/21/2006 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until _____

By Jim W. Grant

Title District II Supervisor

Date 11/5/06

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