

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 June 10, 2003

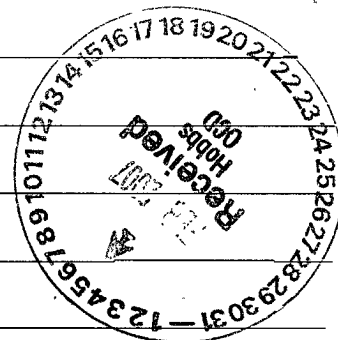
Submit 3 Copies to appropriate
District Office

NFO Permit No. I-59117
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

- A. Applicant Yates Drilling Company,
whose address is 105 South 4th Street, Artesia, NM 88210,
hereby requests an exception to Rule 306 for ~~Indefinite~~ 365 days or until
 , Yr , for the following described tank battery (or LACT):
Name of Lease Doyal Name of Pool SE Chaves On Gas Area Assoc
Location of Battery: Unit Letter P Section 27 Township 12S Range 31E
Number of wells producing into battery 1 30.005-20979
- B. Based upon oil production of 1 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value per day.
- C. Name and location of nearest gas gathering facility:
Frontier Field Services, Section 4-13S-31E
- D. Distance 2 miles Estimated cost of connection
- E. This exception is requested for the following reasons:
Low volume of 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 Karen J. Leishman

Printed Name
& Title Karen J. Leishman, Operations Tech

E-mail Address karenl@ypcnm.com
Date 1/31/07 Telephone No. 505-748-8663

OIL CONSERVATION DIVISION

Approved Until 2/13/08

By Gary W. Wink
Title OC FIELD REPRESENTATIVE II/STAFF MANAGER

Date FEB 13 2007

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