

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.

I-514 P
(For Division Use Only)

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

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 Brent US State #1 Name of Pool Grayburg San Andres

Location of Battery: Unit Letter K Section 32 Township 20S Range 39E

Number of wells producing into battery One 30-025-27904

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: N/A

D. Distance 1/4 mile +/- Estimated cost of connection _____

E. This exception is requested for the following reasons: It is uneconomical to lay a pipeline. Volume is too small to be
measured or flared.

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 6-6-07 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 6/8/08

By Harry W. Wink

Title OC FIELD REPRESENTATIVE II/STAFF MANAGER

Date JUN 08 2007

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