

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

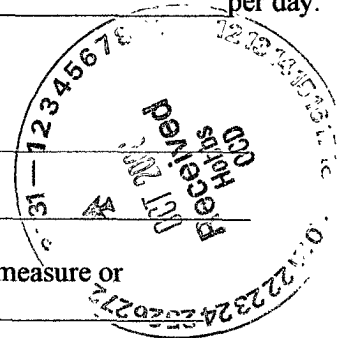
Submit 3 Copies to appropriate  
District Office

NFO Permit No. T-701-L  
(For Division Use Only)

**APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306**

(See Rule 306 and Rule 1129)

- 30-025-29041  
30-025-29568
- A. Applicant Yates Energy Corporation  
whose address is P. O. Box 2323, Roswell, New Mexico 88202  
hereby requests an exception to Rule 306 for \_\_\_\_\_ until further notice \_\_\_\_\_ days or until  
\_\_\_\_\_, Yr \_\_\_\_\_, for the following described tank battery (or LACT):  
Name of Lease Ready-Gulf State #3 Name of Pool Quail Queen  
Location of Battery: Unit Letter C Section 18 Township 19S Range 35E  
Number of wells producing into battery 2
- B. Based upon oil production of 10 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:  
\_\_\_\_\_
- D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_
- E. This exception is requested for the following reasons: Gas insufficient to measure or  
market.



**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

Sheryl L. Jonas

Printed Name

& Title Sheryl L. Jonas/Agent

E-mail

Address Sjonas4011@aol.com

Date 10/26/06

Telephone No. 432-683-5511

**OIL CONSERVATION DIVISION**

Approved Until

10/30/07

By

Harry W. Wink

Title

FIELD REPRESENTATIVE II/STAFF MANAGER

Date

OCT 31 2006