

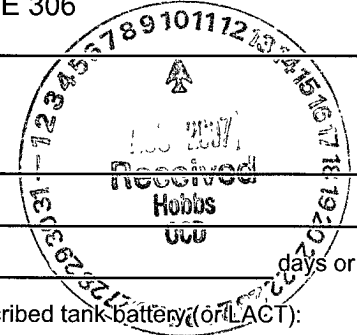
DISTRICT I
P O Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P O Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
Submit 3 Copies to
Appropriate District Office

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-964-A
(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 REEVES ADQ STATE #1 Name of Pool REEVES; DELAWARE
Location of Battery: Unit Letter AH Section 14 Township 18S Range 35E
Number of wells producing into battery One 30-025-29648
- B. Based upon oil production of 5 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:
DYNEGY - SAUNDERS PLANT
- D. Distance 10 MILES Estimated cost of connection _____
- E. This exception is requested for the following reasons: METER WAS REMOVED DUE TO LOW VOLUME. GAS
WILL BE BURNED.

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 Susan S. Lopez
Printed Name & Title Susan S. Lopez - Regulatory Compliance Tech
Date 8/8/07 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 8/15/08
By Gay W. Wink
Title OC FIELD REPRESENTATIVE II/STAFF MANAGER
Date AUG 15 2007

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

GAS IS VENTED @ GROUND LEVEL. NO H₂S DETECTED. 8-14-07
AWW