$\frac{District\ I}{1625\ N}\ French\ Dr\ ,\ Hobbs,\ NM\ 88240$ District II 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 October 15, 2009

Submit one copy to appropriate District Office

NFO Permit No. _ (For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

A.	Applicant Yates Petroleum Corporation ,	
	whose address is105 S. 4 Th St., Artesia, NM 88210,	
	hereby requests an exception to Rule 19.15.18.12 for <u>1-2 days per month</u> until	
	Location of Battery: Unit Letter P	Section 36 Township 25S Range 28E
	Number of wells producing into battery 2 (Yaddock BQY St. #1H)	
B.	Based upon oil production of 225 approx.	barrels per day, the estimated * volume
	of gas to be flared is 2800 approx MCF; Value per day.	
C.	Name and location of nearest gas gathering facility:	
	DCP	
D.	Distance 25 mi. approx Estimated cost of connection	
E.	This exception is requested for the following reasons: <u>Due to O2 content, DCP plant is unable to</u>	
	accept gas until additional equipment is installed. Under Rule 19.15.18.12.B. we are requesting this	
	periodic flaring to prevent undue hardship in regards to lease agreement.	
OPERATOR I hereby certify that the rules and regulations of the Oil Conservation		
Division have be	the complied with and that the information given above lete to the best of my knowledge and belief.	Approved Until 02/01/2012
Signature Miner Worker By Sours Dado		
Printed Name & Title Miriam Morales- Production Analyst		Title Drst & Superviso
		Date <u>08/30/30</u> /1
Date 8/29/11 Telephone No. 575-748-1471		
* Gas Oil ratio test may be required to verify estimated ass yolumn		

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