

MAR 05 2008

OCD-ARTESIA Form C-129
Revised 4-1-91

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

NFO Permit No

2-956
(For Division Use Only)

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

30-015-32666

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

Compressor starts _____, 20____ for the following described tank battery (or LACT):

Name of Lease Gem Dandy BCG State Com #1 Name of Pool Wolfcamp/Upper Penn

Location of Battery: Unit Letter L Section 35 Township 16S Range 27E

Number of wells producing into battery One

B. Based upon oil production of 20 barrels per day, the estimated * volume
of gas to be flared is 20 MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Well is connected and selling down pipeline

D. Distance N/A Estimated cost of connection _____

E. This exception is requested for the following reasons: SPORADIC VENT AT COMPRESSOR DUE TO
COMPRESSOR MALFUNCTION.

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 Lopez - Regulatory Compliance Tech.

Date 3/4/2008 Telephone No. 575-748-1471

OIL CONSERVATION DIVISION

Approved Until MAR 11 2009

By Signed By Mike Demaria

Title _____

Date MAR 11 2008

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