District I 1625 N. French Dr., Hobbs, NM 88240 District II

1301 W Grand Avenue, Artesia, NM 882 0 District III 1000 Rio Brazos Road, Aztec, NM 87410

District IV 1220 S St Francis Dr , Santa Fe, NM 875 State of New Mexico
Energy Minerals and Natural Resources
RECE Conservation Division

DEC 29 2009 Santa Fe, NM 87505

NMOCD ARTESIA

NFO Permit No.

Revised October 15, 2009
Submit one copy to appropriate

Submit one copy to appropriate District Office

Form C-129

 $\frac{2 - 1020}{\text{(For Division Use Only}}$

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) 30-015-29432 Applicant Yates Petroleum Corporation_____ A. whose address is 105 S. 4th St., Artesia, NM 88210 hereby requests an exception to Rule 19.15.18.12 for ______180 days or until , Yr , for the following described tank battery (or LACT): Name of Lease Sacahuiste KE Fed. #2 Name of Pool Indian Basin, Yeso, S._____ Location of Battery: Unit Letter M____Section 34___Township 22S_Range 23E___ Number of wells producing into battery 1 Based upon oil production of _15-20 ______barrels per day, the estimated * volume B. of gas to be flared is 50 ____MCF; Value ____ C. Name and location of nearest gas gathering facility: D. Distance 4 miles North Estimated cost of connection This exception is requested for the following reasons: E. requesting yent/flare to evaluate back on production well.__30 day initial well production_____ verbal approval by Randy Dade 12-21-09. **OPERATOR** OIL CONSERVATION DIVISION I hereby certify that the rules and regulations of the Oil Conservation JUN 29 2010 Division have been complied with and that the information given above Approved Until is true and complete to the best of my knowledge and belief Signed By Mile Brancese Signature Muchelle Jay on Printed Name & Title Michelle Taylor DEC 29 2009 E-mail Address michelle Qyatespetroleum.com Date

Date 12-23.19 Telephone No/575

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