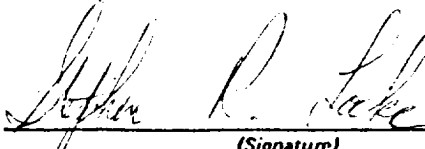


NFO Permit No. 2-736  
(For Division Use Only)

- A. Applicant, Harvey E. Yates Company,  
whose address is Box 1933, Roswell, NM 88201,  
hereby requests an exception to Rule 306 for 45 days or until  
January 7, 19 86, for the following described tank battery (or LACT):  
Name of Lease Mesquite 2 State #2 Name of Pool Wildcat Bone Springs  
Location of Battery: Unit Letter P Section 2 Township 18S Range 31E  
Number of wells producing into battery 1  
B. Based upon oil production of 164 barrels per day, the estimated \* volume  
of gas to be flared is 40 \* MCF; Value \$100 per day.  
C. Name and location of the nearest gas gathering facility:  
Conoco Maljamar Plant  
D. Distance 2 mi to PL Estimated cost of connection NA  
E. This exception is requested for the following reasons:  
We have signed a gas contract with Conoco and are currently waiting  
on connection to pipeline.

\* Note: The volume of gas reported as flared is one-half the total  
volume produced by the well. The remainder of the gas is  
used on lease.

- F. 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)  
Petroleum Engineer  
(Title)  
11-22-85  
(Date)

Approved Until 1/7/86

NEW MEXICO OIL CONSERVATION DIVISION

By 

Title OIL AND GAS INSPECTOR

Date DEC - 3 1985

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