District I 1625 N French Dr., Hobbs, NM 88240 RECEIVED POINTS OF A THE NM 88210 RECEIVED 811 S. First St., Artesia, NM 88210

District III

District IV

State of New Mexico Minerals and Natural Resources Oll Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-129 Revised August 1, 2011

Submit one copy to appropriate District Office

1220 S. St. Francis Dr., Santa Fe, N NMOCD ARTESIA

1000 Rio Brazos Road, Aztec, NM 87410 MAY 07 2012

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)

Λ	Applicant Votes Petroloum Com
A.	Applicant Yates Petroleum Corp.
	whose address is105 S. Fourth Street Artesia, NM,
	hereby requests an exception to Rule 19.15.18.12 for 90-180 days or until
	, Yr, for the following described tank battery (or LACT): 30-015-22793
	Name of Lease Benson Deep BDX Fed. #1 Name of Pool Bone Spring
	Location of Battery: Unit Letter O Section 33 Township 18S Range 30E
	Number of wells producing into battery1
B.	Based upon oil production of barrels per day, the estimated * volume
	of gas to be flared is50-100MCF; Value per day.
C.	Name and location of nearest gas gathering facility:
	Agave
D.	Distance 3-6 mi. Estimated cost of connection
E.	This exception is requested for the following reasons:
	An existing pipeline in the area was abandoned and a new pipeline will need to be installed.
OPERATOR	OIL CONSERVATION DIVISION
Division have bee	nat the rules and regulations of the Oil Conservation en complied with and that the information given above at a test has best of my knowledge and heliof. Approved Until Aug 8 - 2012
م	ete to the best of my knowledge and belief.
Signature /	By WOOD
Printed Name & Title <u>Mir</u>	riam Morales - Production Analyst Title DIST H Sychology
E-mail Addres	ss_mmorales@yatespetroleum.com Date 05/08/2012
Date 5///	Telephone No. 575-748-1471 COA- See 2 nd Page

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

NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 811 SOUTH FIRST STREET ARTESIA, NM 88210 (575)748-1283

CONDITIONS OF APPROVAL for FLARING or VENTING GAS

- 1. Venting gas is absolutely not allowed.
- 2. Prior to flaring gas, C-129 must be filed & approved. Blanket approval cannot be given for this operation.
- 3. Flared volumes of gas are to be metered & reported.
- **4.** Flares WILL be manned at all times. Brush should be cut down to 1 or 2 inches around flare stack at least a radial distance of 2 times the height of the flare stack.
- **5.** Flares WILL NOT be left unattended.
- **6.** No flaring operations to be conducted during red-flag days. http://www.gacc.nifc.gov/swcc (go to "Predictive Services" on SWCC website) to check for red flag warnings.
- 7. Follow safe practices for flaring guidelines.
- **8.** Permit may be rescinded at any time by NMOCD.
- **9.** If well is able to be connected to a gas gathering system, it will be done so as soon as possible.

Your initials here

