

30-005-63684

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

Form C-129
Revised 4-1-91

NFO Permit No. 2-943
(For Division Use Only)

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

RECEIVED

JUN 23 2005

OOD-ARTESIA

A. Applicant YATES PETROLEUM CORPORATION

whose address is 105 S. Fourth Street Artesia, NM 88210

hereby requests an exception to Rule 306 for 365 days or until

the well is connected to pipeline, 20 for the following described tank battery (or LACT):

Name of Lease Boffin State Unit #1 Name of Pool Foor Ranch Pre-Permian

Location of Battery: Unit Letter J Section 16 Township 9S Range 27E

Number of wells producing into battery One

B. Based upon oil production of 40 barrels per day, the estimated * volume
of gas to be flared is 5 MCF; Value per day.

C. Name and location of nearest gas gathering facility:

Agave Energy Company

D. Distance 8 miles Estimated cost of connection

E. This exception is requested for the following reasons: The gas will be sold upon completion of the pipeline.

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 Su'Ann Rogers
Printed Name & Title Su'Ann Rogers - Regulatory Compliance Tech.

Date 6/22/2005 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 6-22-2006

By [Signature]

Title Field Supervisor

Date JUL 7 2005

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