District I District I 1625 N. French Dr., Hobbs, NM SAIM OIL CONSERVATION State of New Mexico

ARTESIA DISTRICTEnergy Minerals and Natural Resources Oil 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

District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV

811 S. First St., Artesia, NM 88210

District II

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

AUG 2 9 2016

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)

Applicant Yates Petroleum Corporation A. whose address is 105 S. Fourth Street, Artesia, NM 88210 hereby requests an exception to Rule 19.15.18.12 for days or until August 19 – November 19, Yr 2016, for the following described tank battery (or LACT): Name of Lease Hanagan APL Federal Com Battery Name of Pool Bone Spring Location of Battery: Unit Letter L Section 31 Township 19S Range 30E API#2H 30-015-39511 Number of wells producing into battery 2 wells, API #3H 30-015-39801 B. Based upon oil production of 67 barrels per day, the estimated * volume of gas to be flared is 252 +/- Daily MCF; Value per day. Name and location of nearest gas gathering facility: C. Distance ___ _ Estimated cost of connection ___ _ D. Ē. This exception is requested for the following reasons: Requesting permission to flare due to abnormal system pressures in Agave lines. The possibility of flare will not be consistent; therefore, the volume above can easily fluctuate. **OIL CONSERVATION DIVISION OPERATOR** I hereby certify that the rules and regulations of the Oil Conservation 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. ACCEPTED FOR RECORD Signature (Ву ____

Title

Date

Telephone No: 575-748-4168

& Title Tina Huerta, Regulatory Reporting Supervisor

E-mail Address tinah@yatespetroleum.com

Printed Name

Date: August 26, 2016

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