District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W, Grand Avenue, Artesia, NM 88210
District III
1500 Rio Brazos Road, Aziec, NM 87410
District IV
1220 S, St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505 Form C-129 Revised June 10, 2003

Submit 3 Copies to appropriate
District Office

NFO Permit No. 2-965

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129) 30-015-20423 Applicant Yates Petroleum Corporation A. whose address is 105 S. 4th St., Artesia NM 88210 hereby requests an exception to Rule 306 for 4-5 days or until Yr for the following described tank battery (or LACT): Name of Lease Medano VA St. Name of Pool Deleware Location of Battery: Unit Letter K Section 16 Township 23S Range 31E Number of wells producing into battery 16 Based upon oil production of _______barrels per day, the estimated * volume B. of gas to be flared is 540 MCF: Value per day C. Name and location of nearest gas gathering facility: DCP Distance Estimated cost of connection D. This exception is requested for the following reasons: Plant Shut Down E. 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 UntilAUG 2 0 2008 is true and complete to the best of my knowledge and belief. Signed By Mily Benning Signature Muchelle Jaylog BvPrinted Name Title & Title Date AUG 1 3 2008 E-mail Address