

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-125  
Revised 4-1-91

NFO Permit No.

2-935  
(For Division Use Only)

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

RECEIVED

APR 12 2004

A. Applicant **YATES PETROLEUM CORPORATION**

30-015-22889

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

OCD-ARTESIA

hereby requests an exception to Rule 306 for \_\_\_\_\_ days or until

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

Name of Lease Loving AIB State #1 & #2 Name of Pool Delaware

Location of Battery: Unit Letter G Section 16 Township 23S Range 28E

Number of wells producing into battery 2 (Two)

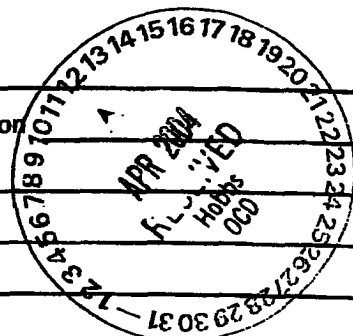
B. Based upon oil production of \_\_\_\_\_ barrels per day, the estimated \* volume  
of gas to be flared is #1 = 31 & #2 = 40 MCF; Value \_\_\_\_\_ per day.

C. Name and location of nearest gas gathering facility:

N/A

D. Distance \_\_\_\_\_ Estimated cost of connection \_\_\_\_\_

E. This exception is requested for the following reasons: No facilities available.



**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 4/8/04 Telephone No. 505-748-1471

**OIL CONSERVATION DIVISION**

Approved Until

By

Title

Date

4-7-04  
Field Eng II  
5-7-04

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

Please Note wells were flaring prior to approval