District I
1625 N. French Dr., Hobbs, NM 88210

OIL CONSERVATION State of New Mexico
Minerals and Natural Resources
District II
811 S. First St., Artesia, NM 88210

ARTESIA DISTRICT
Oil Conservation Division

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

OCT 0 2 2015

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Revised August 1, 2011

Form C-129

Submit one copy to appropriate District Office

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

RECEIVED

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)

A.	A. Applicant <u>Yates Petroleum Corporation</u> , whose address is <u>105 S. Fourth Street Artesia, NM 88210</u> , hereby requests an exception to Rule 19.15.18.12 for <u>90</u> days or until		
	Name of Lease <u>Dagger ZW Battery</u> Name of Pool <u>Glorietta-Yeso</u>		
	Location of Battery: Unit LetterSec	ction 30 Township 19S Range 25E	
	Number of wells producing into battery A	PI #30-015-26265 & 30-015-41754_	
B.	Based upon oil production of14barrels per day, the estimated * volume of gas to be flared is40 +/- DailyMCF; Value per day.		
C.	Name and location of nearest gas gathering facility:		
	·	<u> </u>	
D.	DistanceEstimated cost of connection		
E.	This exception is requested for the following reasons:		
Request permission to flare due to abnormal system pressure in the pipeline. The possibility of flare will not be consistent, therefore, the volume above can			
easily fluctuate.			
OPERATOR OIL CONSERVATION DIVISION			
I hereby certify that the rules and regulations of the Oil Conservation		Approved Until Dec 30 2015	
is true and complete to the best of my knowledge and belief. Approved Ontil Dec 35.			
Signature By Roade			
& Title		Title Dry A Spewish	
E-mail Address JSteele@yatespetroleum.com Date 10/7/15		Date 10/7/15	
Date 09-25-2015 Telephone No. 575-748-4208 Seo Attacked COA'S			

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.
- 10. Flaring of gas is prohibited. The State Forester grants an exception to the prohibition on open fires for the flaring of natural gas when the following conditions are met. Unless flaring is needed for safety purposes, flaring pursuant to this exception shall not be done on days that are "red flag days" as determined by the National Weather Service or on days when the sustained wind is in excess of 25 miles per hour in the area.
- 11.1. The day is not a "red flag day" as determined by the National Weather Service and the sustained wind is not in excess of 25 miles per hour in the area.
- 12.2. The local fire department and county dispatch are notified at least 24 hours in advance of anticipated releases that will result in flaring. If flaring is done by an automated system then the schedule of flaring shall be provided to the local fire department and county dispatch. The area is moved and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of one and one half times the height of the stack.
- 13.3. At least one adult is on site with communications equipment adequate to reach county dispatch and the local fire department in the event of a fire. The individual should also be equipped with a shovel and a water backpack pump or other equipment to deliver water to suppress a fire
- 14.4. If flaring is to take place at an unmanned facility, then the area around the flare stack is moved and maintained at a length not to exceed 4 inches and all other flammable products or debris shall be cleared in the area for a distance of three times the height of the stack.

Your initials here 80

DATE: 10/7/15

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David MartinCabinet Secretary

Jami Balley, Division Director Oil Conservation Division



Brett F. Woods, Ph.D. Deputy Cabinet Secretary

March 7, 2014

FOR IMMEDIATE RELEASE Contact: Jim Winchester (505)231-8800 E-Mail: jim.winchester@state.nm.us

Notice to Oil and Gas Facilities and Operators Flaring Gas in New Mexico

SANTA FE, NM – The Oil Conservation Division (OCD) encourages all oil and gas facilities with flare stacks and well operators that are flaring gas to upgrade their *Fire Awareness Programs* this year. New Mexico State Forestry reports that 362 fires burned 6,879 acres on state and private land in calendar year 2013.

Forecasts remain dismal this spring with fewer chances for normal precipitation, particularly in southwestern New Mexico and southeastern Arizona. Temperatures are expected to be higher than normal.

Open flames and gas flares should be monitored carefully and oil and gas operators should create a defensible space to help prevent wildfires. Defensible Space is the area around a structure where combustible vegetation that can spread fire has been cleared, reduced or replaced. This space acts as a barrier between a structure and an advancing wildfire.

This means that as a general rule of thumb, the area around staffed flaring facilities should be mowed and maintained at a length not to exceed 4 inches and all other flammable products or debris should be cleared in the area for a distance of at least one and one half times the height of the stack.

If flaring is to take place at an unstaffed facility, then the mowed area around the flare stack should be increased to three times the height of the stack. On "red flag" days local fire departments should be notified prior to the flaring operations.

During the course of the upcoming fire season, it may become necessary for New Mexico State Forestry to issue fire restriction on State and private land. Log on to www.nmforestry.com for updates or to get information on how contact your local State Forestry District office.

For the latest fire weather information please visit USDA Forest Service website: http://gacc.nifc.gov/swcc/predictive/outlooks/monthly/swa_monthly.pdf

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.