NM OIL CONSERVATION ARTESIA DISTRICT

District I 1625 N. Erench Dr.; Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, 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 August 1, 2011 OCT 2 0 2016

Submit one copy to appropriate

District Office

NFO Permit RECEIVED

(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 Α. whose address is 105 S. Fourth Street, Artesia, NM 88210 hereby requests an exception to Rule 19.15.18.12 for days or until October 19, 2016 - January 18, Yr 2017, for the following described tank battery (or LACT): Name of Lease Zia AHZ Federal Com #2H Name of Pool Bone Spring Location of Battery: Unit Letter C Section 13 Township 20S Range 29E Number of wells producing into battery 1 well, API #30-015-40404 Based upon oil production of _____35 barrels per day, the estimated * volume B. of gas to be flared is 72 +/- Daily MCF; Value per day. Name and location of nearest gas gathering facility: C. Distance Estimated cost of connection D. E. This exception is requested for the following reasons: Requesting permission to flare due to abnormal system pressures in DCP lines. The possibility of flare will not be consistent, therefore, the volume above can easily fluctuate.

OPERATOR	OIL CONSERVATION DIVISION
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.	Approved Until
Signature Und Lurto	By ACCEPTED FOR RECORD N.M.O.C.D.
Printed Name & Title Tina Huerta, Regulatory Reporting Supervisor	Title
E-mail Address tinah@yatespetroleum.com	Date 10/20/10
Date: October 20, 2016 Telephone No: 575-748-4168	

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