

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

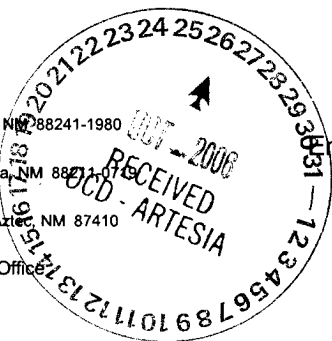
P.O. Drawer DD, Artesia, NM 88210

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-129

Revised 4-1-91

NFO Permit No. _____

(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

30.005.63778

A. Applicant YATES PETROLEUM CORPORATIONwhose address is 105 S. Fourth Street Artesia, NM 88210hereby requests an exception to Rule 306 for 6 months days or untilthe well is plugged or connected to pipeline, 20 _____ for the following described tank battery (or LACT):Name of Lease Dehavilland State Unit #1 Name of Pool Wild Cat StrawnLocation of Battery: Unit Letter E Section 28 Township 5S Range 26ENumber of wells producing into battery OneB. Based upon oil production of 2 barrels per day, the estimated * volume of gas to be flared is 35 mcfpd MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Agave Gas Gathering on the Biplane #1D. Distance 5 Miles Estimated cost of connection _____E. This exception is requested for the following reasons: Due to low mcf and possibility for other wells in the area
request variance to no flare rule until other wells are drilled in area.

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 Elaina RossPrinted Name & Title Elaina Ross- Regulatory Compliance Tech.Date 10/25/2006 Telephone No. 505-748-4208

OIL CONSERVATION DIVISION

Approved Until _____

By _____

Title Jim W. GreenDate District II Supervisor
12/5/06

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