

MAR 04 2008
OCD-ARTESIA

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-129
Revised 4-1-91

NFO Permit No.

2-955
(For Division Use Only)

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

30-005-63943

A. Applicant YATES PETROLEUM CORPORATION

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

hereby requests an exception to Rule 306 for _____ days or until

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

Name of Lease Pigskin State Unit #1 Name of Pool Coyote Wolfcamp

Location of Battery: Unit Letter B Section 14 Township 12S Range 26E

Number of wells producing into battery one

B. Based upon oil production of 1 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Agave

D. Distance 1 mile Estimated cost of connection _____

E. This exception is requested for the following reasons: VOLUME IS TOO SMALL TO BE FLARED AND MEASURED.
IT IS UNECONOMICAL TO LAY A PIPELINE.

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 Susan S. Lopez
Printed Name
& Title Susan Lopez - Regulatory Compliance Tech.

Date 3/3/2008 Telephone No. 575-748-1471

OIL CONSERVATION DIVISION

Approved Until MAR 11 2008

By M. H. Brannon
Signed By

Title _____

Date MAR 11 2008

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