

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
Department of Geology, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 Pacheco St.
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)

- A. Applicant Yates Petroleum Corporation,
whose address is 105 South Fourth Street - Artesia, NM 88210,
hereby requests an exception to Rule 306 for 120 days± days or until
 , 19 , for the following described tank battery (or LACT):
Name of Lease Haystack Federal #1 Name of Pool Pecos Slope Abo
Location of Battery: Unit Letter N Section 31 Township 6S Range 27E
Number of wells producing into battery One (1)
- B. Based upon oil production of 0 barrels per day, the estimated * volume
of gas to be flared is 30 MCF; Value per day.
- C. Name and location of nearest gas gathering facility:
Yates/Agave
- D. Distance 1/4 mile Estimated cost of connection \$75,000
- E. This exception is requested for the following reasons: At present, we are waiting on a
pipeline right of way so that we can begin laying the pipeline to
market gas

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 Rusty Klein

Printed Name
& Title Rusty Klein - Operations Technician

Date July 11, 2001 Telephone No. 505-748-1471

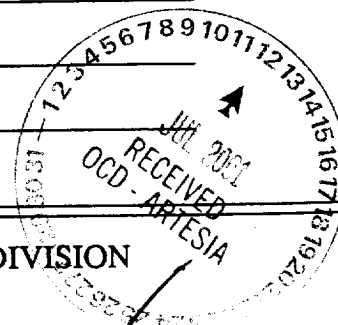
OIL CONSERVATION DIVISION

Approved Until

By Record

Title

Date



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