

District I
1625 N. French 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

Form C-129
Revised August 1, 2011

HOBBS OCD

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

Submit one copy to appropriate
District Office

FEB 14 2013

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. Applicant Yates Petroleum Corporation,
whose address is 105 S Fourth Street Artesia, NM 88210,
hereby requests an exception to Rule 19.15.18.12 for 15 days or until

_____, Yr _____, for the following described tank battery (or LACT):

Red Raider BKS State #1

Name of Lease Red Raider BKS State #2H Name of Pool Red Hills; Bone Spring, north

Location of Battery: Unit Letter J Section 25 Township 24S Range 33E
API #30-025-29141

Number of wells producing into battery 2 API #30-025-39716

B. Based upon oil production of 56 barrels per day, the estimated * volume
of gas to be flared is 244 MCFPD; Value _____ per day.

C. Name and location of nearest gas gathering facility:

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: _____

Due to the maintenance of the transporters p/l in preparation of a new facility start up.

Verbal approval received by Michelle Taylor (YPC) from E. L. (OCD) on 2/7/2013.

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 Miriam Morales

Printed Name
& Title Miriam Morales - Production Analyst

E-mail Address mmorales@yatespetroleum.com

Date 2/13/13 Telephone No. 575-748-1471

OIL CONSERVATION DIVISION

Approved Until 2-28-2013

By [Signature]

Title Dist MGR

Date 2-18-2013

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