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

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

Form C-129
Revised August 1, 2011

Submit one copy to appropriate District Office

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 90 days or until

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

Name of Lease Naguss BRN State Com #1H Name of Pool Bone Spring

Location of Battery: Unit Letter M Section 30 Township 21S Range 34E

Number of wells producing into battery 1 API #30-025-40303

B. Based upon oil production of 114 barrels per day, the estimated * volume

of gas to be flared is 3350 monthly MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

DCP Midstream

D. Distance _____ Estimated cost of connection _____

E. This exception is requested for the following reasons: problem continued

due to abnormal system pressures in the DCP lines. The possibility to flare will not be consistent;

therefore, the volume above can easily fluctuate. Effective continuously from prior approval.

OPERATOR	OIL CONSERVATION DIVISION
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.	Approved Until 11-25-2013
Signature [signature]	By [signature]
Printed Name & Title Miriam Morales –Production Analyst	Title Dist Mgr
E-mail Address mmorales@yatespetroleum.com	Date 8-8-2013
Date 8/8/13 Telephone No. 575-748-1471	

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

AUG 08 2013