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)

HOBBS OCD

NOV 22 2013

RECEIVED

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 see below days or until _____, Yr _____, for the following described tank battery (or LACT):

Name of Lease Belfast BSL State Com #1Y Name of Pool Bone Springs

Location of Battery: Unit Letter E Section 6 Township 21S Range 34E

Belfast #1Y API #30-025-41121

Number of wells producing into battery 2 Boston #1H API #30-025-40573

B. Based upon oil production of 266 barrels per day, the estimated * volume of gas to be flared is 231 MCFPD; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Targa

D. Distance 1 mi Estimated cost of connection _____

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

Due to Targa's West Texas pipeline rupture. Yates will like to flare until p/l is repaired.

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 _____

Printed Name & Title Miriam Morales –Production Analyst

E-mail Address mmorales@yatespetroleum.com

Date 11/21/13 Telephone No. 575-748-1471

OIL CONSERVATION DIVISION

Approved Until 02/21/2014

By _____

Title Compliance Officer

Date 11/26/2013

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