

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
March 30th, Yr 2016, for the following described tank battery (or LACT):

Name of Lease Adder BSE State #1H Battery Name of Pool Bone Spring

Location of Battery: Unit Letter _____ Section 31 Township 24S Range 33E

Taipan #1 : 30-025-40515

Number of wells producing into battery 2 Adder #1 : 30-025-40513

B. Based upon oil production of 148 barrels per day, the estimated * volume
of gas to be flared is 303 +/- daily MCF; Value _____ per day.

C. Name and location of nearest gas gathering facility:

Agave

D. Distance _____ Estimated cost of connection _____

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

Requesting permission to flare due to abnormal system pressures in Agave lines.

The possibility of flare will not be consistent, therefore, the volume above can easily fluctuate.

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 Garrett Sanders

Printed Name
& Title Garrett Sanders - Production Analyst

E-mail Address GSanders@yatespetroleum.com

Date 12-11-2015 Telephone No. 575-748-4208

OIL CONSERVATION DIVISION

Approved Until 3/30/2016

By Mary Brown

Title _____

Date 12/15/2015

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

DEC 15 2015