

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

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-129

Revised 4-1-91

RECEIVED

NOV 03 2009

HOBBSOCD

NFO Permit No.

I-845-I
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

(See Rule 306 and Rule 1129)

A. Applicant YATES PETROLEUM CORPORATIONwhose address is 105 S. Fourth Street Artesia, NM 88210hereby requests an exception to Rule 306 for 365 days or until20 for the following described tank battery (or LACT):Name of Lease Coachman State Name of Pool SE Chaves QN Gas Area Assoc.Location of Battery: Unit Letter A Section 23 Township 12S Range 31ENumber of wells producing into battery 1 30-005-21147B. Based upon oil production of 1 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value per day.

C. Name and location of nearest gas gathering facility:

Frontier Field Services, Sec 4 T13S R31ED. Distance 2 miles Estimated cost of connection per day.

E. This exception is requested for the following reasons:

Low volume of 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

Printed Name

& Title

Susan Lopez - Regulatory Compliance Tech.

Date

11/2/2009

Telephone No.

575-748-1471

OIL CONSERVATION DIVISION

Approved Until

November 3, 2010

By

Title

DISTRICT 1 SUPERVISOR

Date

NOV 03 2009

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