

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
FEB 28 2011
HOBBSCOCD

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 October 15, 2009

Submit one copy to appropriate
District Office

NFO Permit No. I-701-M
(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 Energy Company
whose address is P.O. Box 2323, Roswell, N.M. 88202
hereby requests an exception to Rule 19.15.18.12 for until further notice days or until
*, Yr *, for the following described tank battery (or LACT):
Name of Lease Ready-Gulf State #3 & #2 Name of Pool Quail Queen
Location of Battery: Unit Letter C Section 18 Township 19S Range 35E
Number of wells producing into battery 2
- B. Based upon oil production of 10 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value \$0 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:
Gas is insufficient to measure or market
This well will never make enough gas to sell.

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 Sheryl L. Jones

Printed Name & Title Sheryl L. Jones / Agent

E-mail Address Sjones4011@zol.com

Date 2/24/2011 Telephone No. 432-683-5511

OIL CONSERVATION DIVISION

Approved Until Feb. 24, 2012

By Tammy M. Hill

Title DISTRICT 1 SUPERVISOR

Date MAR 01 2011

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