

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

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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)

API # 30-025-29568  
30-025-29041

- 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 Star #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.

<b>OPERATOR</b> 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 <u>Sheryl L. Jones</u> Printed Name & Title <u>Sheryl L. Jones/Agent</u> E-mail Address <u>Sjones4011@201.com</u> Date <u>2/24/2011</u> Telephone No. <u>492-683-5511</u>	<b>OIL CONSERVATION DIVISION</b> Approved Until <u>Feb. 24, 2012</u> By <u>Jamy M. Hill</u> Title <u>DISTRICT 1 SUPERVISOR</u> Date <u>MAR 01 2011</u>
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\* Gas-Oil ratio test may be required to verify estimated gas volume.