

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

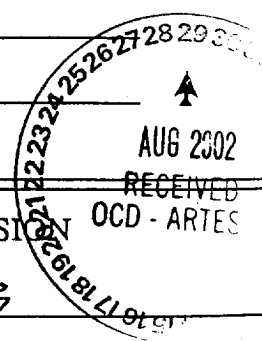
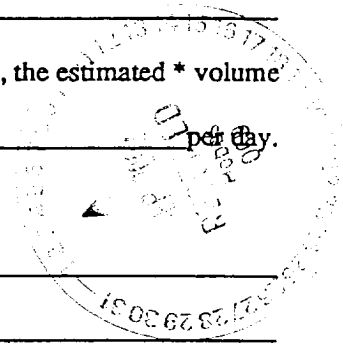
2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
Submit 3 Copies to
Appropriate District Office

NFO Permit No. I-900
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306
(See Rule 306 and Rule 1129)

- A. Applicant YATES PETROLEUM CORPORATION
whose address is 105 S FOURTH STREET ARTESIA, NM 88210
hereby requests an exception to Rule 306 for one (1) year days or until
 , 19 , for the following described tank battery (or LACT):
Name of Lease SAWYER AQN STATE #2 Name of Pool SAWYER SAN ANDRES
Location of Battery: Unit Letter Section 6 Township 10S Range 37E
Number of wells producing into battery one (1)
- B. Based upon oil production of 3 barrels per day, the estimated * volume
of gas to be flared is 3 MCF; Value per day.
- C. Name and location of nearest gas gathering facility:
DYNEGY
- D. Distance Estimated cost of connection
- E. This exception is requested for the following reasons: Transporter has de-activated meter
until agreement specifications are met.



PERATOR

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 Anna Clark

inted Name
Title DONNA CLACK REGULATORY TECHNICIAN

ate 8-27-02 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 9/6/03

By [Signature]
Title **PETROLEUM ENGINEER**

Date SEP 06 2002

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