

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Box 1980, Hobbs, NM 88241-1980

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

Form C-129
Revised 4-1-9

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

NFO Permit No. I-390-B

(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 LOVELESS LO STATE #2-F Name of Pool TOMAHAWK SAN ANDRES

Location of Battery: Unit Letter Section 36 Township 7S Range 31E

Number of wells producing into battery Eight (8)

B. Based upon oil production of 1 (one) barrels per day, the estimated * volume
of gas to be flared is 1 (one) 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 specifications are met.

SEP 25 2002
RECEIVED
HOBBS
OCD

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: Donna Clack

Printed Name
Title DONNA CLACK REGULATORY TECHNICIAN

Date 9-16-02 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 9/23/03

By PAUL F. KAUTZ
PETROLEUM ENGINEER

Title

Date SEP 25 2002

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