

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

YATES DRILLING COMPANY

YATES BUILDING - 207 SOUTH 4TH ST. - (505) 746-3558

ARTESIA, NEW MEXICO 88210

September 20, 1984

RECEIVED BY

OCT 09 1984

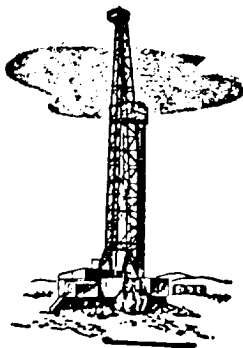
O. C. D.
ARTESIA, OFFICE

PEYTON YATES.
PRESIDENT

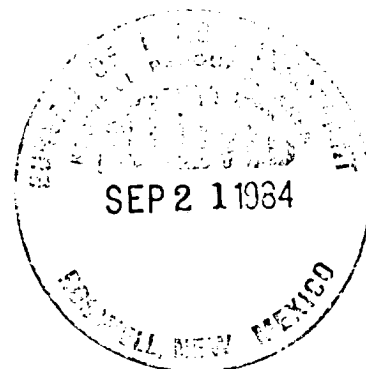
S. P. YATES.
VICE PRESIDENT

B. W. HARPER.
SEC.-TREAS.

JACK W. MCCAUL.
ASST. SEC.-TREAS.



Bureau of Land Management
Roswell District Office
P.O. Drawer 1857
Roswell, New Mexico 88201



Re: Application to Vent Gas

Dear Sir:

nm-15896

Recently Yates Drilling Company received the enclosed "Notice of Incidents of Noncompliance Detected", concerning the venting of gas at our DeLuna Tank Battery. This battery is located on the pad built for our DeLuna #1 well, 1980' FSL & 660' FWL Section 34, Township 12 South, Range 31 East, N.M.P.M., Chaves County, New Mexico. Gas production fed to this battery is from our DeLuna #2 well, 1980' FSL & 1650' FWL Section 34, Township 12 South, Range 31 East, N.M.P.M., Chaves County, New Mexico. Gas produced from the DeLuna #1 well is sold to Cabot Pipeline Company.

Gas produced from the DeLuna #2 well has a very high nitrogen mole percentage. High pressure in the Cabot pipeline to which we deliver gas from the DeLuna #1 has previously caused problems with this well's ability to produce both gas and oil. With the added production from additional wells producing into this line a reduction in current line pressure would be required. Until recently these problems have caused pipeline companies to be uninterested in purchasing our gas.

Yates Drilling Company is currently negotiating a gas sales contract for the gas from the above well with Cabot Pipeline Company. A diligent effort is being made to secure this contract and an agreement is expected to be reached shortly. Upon securing such a contract, connections to a gas sales line will be made in a timely manner.

In accordance with NTL-4A, IV-B, Yates Drilling Company hereby makes application for approval to temporarily vent gas from the battery in question until such time that produced gas can be connected and sold into a pipeline.

APPROVED

Peter W. Chester

OCT 3 1984

APPROVED FOR ¹² MONTH PERIOD
ENDING Oct. 3, 1985

