

NM OIL CONS. COMMISSION

Drawer DD

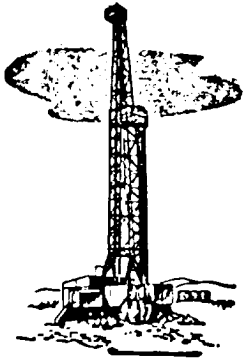
Artesia, NM 88210

YATES DRILLING COMPANY

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

ARTESIA, NEW MEXICO 88210

September 20, 1984



PEYTON YATES.

PRESIDENT

S. P. YATES.

VICE PRESIDENT

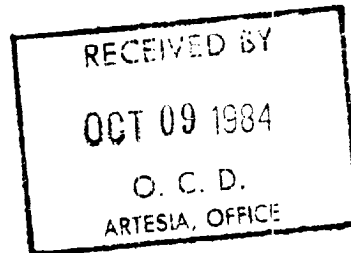
B. W. HARPER.

SEC. TREAS.

JACK W. MCCAUL.

ASST. SEC. TREAS.

Bureau of Land Management
Roswell District Office
P.O. Drawer 1897
Roswell, New Mexico 88201



Re: Application to Vent Gas

77M-0256521

Dear Sir:

Recently Yates Drilling Company received the enclosed "Notice of Incidents of Noncompliance Detected" concerning the venting of gas at out Burkitt 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. Production at this battery is from the Burkitt #1 well, 2310' FNL & 1980' FWL Section 34, Township 12 South, Range 31 East, N.M.P.M., Chaves County, New Mexico and from the Burkitt #2 well, 1650' FNL & 990' FWL Section 34, Township 12 South, Range 31 East, N.M.P.M., Chaves County, New Mexico.

Gas produced from these wells has a high nitrogen and carbon dioxide mole percentage. Until recently all pipeline companies with gathering facilities in the area have not been interested in accepting this gas due to the afore mentioned problem. The delivery of gas from these wells into a pipeline would require that such pipeline carry a lower pressure than any of the pipelines currently in this area. These problems have prevented the securing of a gas sales contract as of this date.

Yates Drilling Company is currently negotiating a gas sales contract for the gas from the above wells 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

