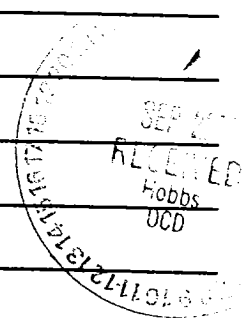


(For Division Use Only)

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

- A. Applicant Yates Drilling Company,
whose address is 105 South 4th Street, Artesia, NM 88210,
hereby requests an exception to Rule 306 for Indefinite days or until
 , 19 , for the following described tank battery (or LACT):
Name of Lease Doyal #2 Name of Pool SE Chaves QN Gas Area Assoc
Location of Battery: Unit Letter P Section 27 Township 12S Range 31E
Number of wells producing into battery 1
- B. Based upon oil production of 1.5 barrels per day, the estimated * volume
of gas to be flared is TSTM MCF; Value per day.
- C. Name and location of nearest gas gathering facility:
American Gathering, L.P., Section 4-13S-31E
- D. Distance 2 miles Estimated cost of connection \$30,000
- E. This exception is requested for the following reasons:
Low volume, no contract



e 9-24-2002 Telephone No. 505-746-0308

Date SEP 27 2002

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