P.O. Drawer DD, Artesia, NM 88211-0'

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

## OIL CONSERVATION

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

NFO Permit No.  $\overline{\bot}$ -S9/-F

## APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306 (See Rule 306 and Rule 1120)

|   | Jaid Rule 1127)                                       |
|---|---|
| Applicant Yates Drilling Com  | npany   |
| whose address is 105 South 4th Street, Artesia, NM 88210  |   |
|   |   |
|   | Name of Pool SE Chaves Queen Gas Area                 |
| Location of Battery: Unit Letter P Section  | Assoc. on 27 Township 12S Range 31E                   |
| Number of wells producing into battery1   |   |
| Based upon oil production of3   | barrels per day, the estimated * volume               |
|   | ICF; Valueper day.                                    |
| C. Name and location of nearest gas gathering facility:   |   |
| American Gathering, L.P., Section   | 4-13S-31E   |
| Distance 2 miles Estimated co   | st of connection \$30,000                             |
| E. This exception is requested for the following reasons:   |   |
| Low Volume, No Contract   |   |
|   |   |
|   |   |
|   |   |
| the rules and regulations of the Oil Conservation mplied with and that the information given above is the best of my knowledge and belief | OIL CONSERVATION DIVISION  Approved Until 6-22-99     |
| oven J Leeslman   | Orig. Si <b>gned by</b><br>Paul Kauts<br>By Geologist |
| I Taiahaan B  | Title   |
| Telephone No. 505-748-4500  | JUN 25 1998<br>Date                                   |
|   | hereby requests an exception to Rule 306 for          |