

N. M. OIL & GAS COMMISSION  
P. O. BOX 1930  
MOBBS, NEW MEXICO 88240  
**YATES DRILLING COMPANY**

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

ARTESIA, NEW MEXICO 88210

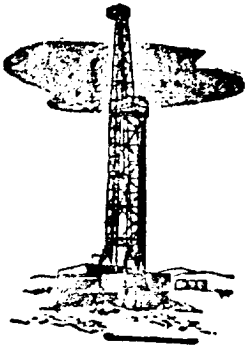
April 28, 1986

PEYTON YATES.  
PRESIDENT

S. P. YATES.  
VICE PRESIDENT

B. W. HARPER.  
SEC.-TREAS.

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



Bureau of Land Management  
P.O. Box 1857  
Roswell, New Mexico 88201

Re: Garner Federal Lease  
NM-~~15807~~ 015807  
T-12 & 13-S, R-31-E  
Chaves County, New Mexico

Gentlemen:

In accordance with NTL-4A, IV-B, Yates Drilling Company hereby makes application for approval to vent gas from the captioned lease. There are three tank batteries located on the captioned lease, as follows:

Unit E-Section 3-13S-31E  
Unit J-Section 34-12S-31E  
Unit O-Section 27-12S-31E

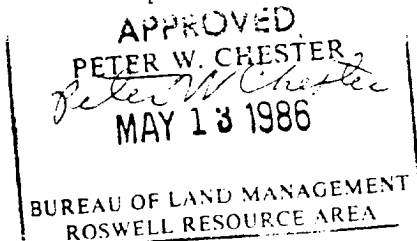


Gas produced from the Garner wells has a high nitrogen and carbon dioxide content. Also delivery of this gas into a pipeline would require a low pressure system. Yates Drilling Company has attempted to obtain a contract for this gas but as yet, we have not been successful.

Therefore, Yates Drilling Company respectfully requests permission to vent gas from the captioned lease until such time as a contract is available.

The amount of gas vented will be shown each month on the monthly 9-329 forms.

Your cooperation in this matter will be appreciated.



Sincerely,

YATES DRILLING COMPANY

*Karen J. Leishman*  
Karen J. Leishman  
Production Clerk

APPROVED FOR 12 MONTH PERIOD  
ENDING 5/13/87