DISTRICT I P.O.Box 1980, Hobbs, NM 88241-1980 DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719 DISTRICT III 1000 Rio Brazos Rd, Aztec, NM 87410 Submit 3 Copies to Appropriate District Office

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State of New Mexico Energy, Minerals and Natural Resources Department

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

NFO Permit No.

(For Division Use Only)

Form C-129

Revised 4-1-91

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

А.	ApplicantYates Petroleum Corporation,		
	whose address is <u>105 South Fourth St Artesia, NM 88210</u> , hereby requests an exception to Rule 306 for <u>One year or 365</u> days or until , 19, for the following described tank battery (or LACT):		
Name of Lease_Fort AIO #1Name of Pool_Nombre Upper Penn, Location of Battery: Unit Letter_PSection 20_Township 13SRange 34E			
	Number of wells producing into battery <u>One (1)</u>		
В.	Based upon oil production of <u>37 BOPD</u> barrels per day, the estimated * volume		
	of gas to be flared is <u>TSTM</u> MCF	; Valueper day.	
С.	<ul> <li>C. Name and location of nearest gas gathering facility:</li> <li><u>Warren Petroleum Corporation</u></li> <li>D. Distance <u>7± miles</u> Estimated cost of connection <u>Unknown</u></li> <li>E. This exception is requested for the following reasons: <u>Uneconomical to build a</u></li> </ul>		
D.			
E.			
	pipeline		
OPERATOR I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature		OIL CONSERVATION DIVISION	
		Approved Until <u>1-28-2001</u>	
		ORIGINAL SIGNED BY ByGARY WINK	
Printed Name Title			
&Tide_Rusty Klein - Operations Technician_		Date JAN 28 2000	
Date Jan. 17	7, 2000 Telephone No. 505-748-1471		

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

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