DISTRICTI · 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

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION 2040 Pacheco St.

Santa Fe, NM 87505 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 105 South Fourth Street - Artesia, NM 88210					
	hereby requests an exception to Rule 306 for $_1$	year (365 days)days or until				
	, 19, for the following described tank battery (or LACT): Name of Lease Wilcox TS #1-4 Name of Pool Tomahawk San Andres Location of Battery: Unit LetterA Section Township 7S Range 32E					
				Number of wells producing into battery Thre	mber of wells producing into battery Three wells at present time	
			В.	B. Based upon oil production of $1-2$ barrels per day, the estimated * volume		
	of gas to be flared isMC	F; Valueper day.				
C.	C. Name and location of nearest gas gathering facility:					
	Dynegy					
D.	D. Distance <u>2-1/2 miles</u> Estimated cost of connection <u>\$70,000</u> E. This exception is requested for the following reasons: <u>It is uneconomical to lay a pipe-line for a low volume of gas</u>					
E.						
DPERATOR hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is rue and complete to the best of my knowledge and belief. Signature		OIL CONSERVATION DIVISION				
		Approved Until 4/10/2002				
		Chi Tilling				
		By Mrs Milliams				
		Title_DISTRICT 1 SUPERVISOR APR ¹ 1 1200101				
March 29, 2001 Telephone No. 505-748-1471		Date1 = 7400				

⁴ Gas-Oil ratio test may be required to verify estimated gas volume.