

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-129

Revised 4-1-91

OIL CONSERVATION DIVISION

2040 Pacheco St.

Santa Fe, NM 87505

NFO Permit No. I-745-F
(For Division Use Only)

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

A. Applicant Yates Petroleum Corporation

whose address is 105 s Fourth Street - Artesia, NM 88210

hereby requests an exception to Rule 306 for one (1) year 365 days or until
19, for the following described tank battery (or LACT):

Name of Lease Burton AER Com- #1 Name of Pool Casey San Andres

Location of Battery: Unit Letter J Section 26 Township 16S Range 37E

Number of wells producing into battery One (1)

B. Based upon oil production of 1/2 - 1 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:

Warren Petroleum - Saunders Plant

D. Distance 1± mile Estimated cost of connection \$60,000

E. This exception is requested for the following reasons: Gas volume is TSTM - uneconomical
to build pipeline

OPERATOR

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 Donna J. Clack

Printed Name

& Title Donna Clack - Operations Technician

Date Jan. 8, 2002 Telephone No. 748-1471

OIL CONSERVATION DIVISION

Approved Until 1/14/03

By PAUL F. KAUTZ

Title PETROLEUM ENGINEER

Date JAN 15 2002

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