

**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. 4-111-H  
(For Division Use Only)

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

- A. Applicant YATES ENERGY CORPORATION,  
whose address is P. O. BOX 2323, Roswell, NM 88202-2323,  
hereby requests an exception to Rule 306 for until further notice days or until  
, 19 , for the following described tank battery (or LACT):  
Name of Lease Reddy Gulf State #3 Name of Pool Quail Queen  
Location of Battery: Unit Letter C Section 18 Township 19S Range 35E  
Number of wells producing into battery 2
- B. Based upon oil production of 18 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:
- D. Distance  Estimated cost of connection
- E. This exception is requested for the following reasons: Gas insufficient to measure  
or market.

DEC 2002  
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Hobbs  
DEC

# 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 James K. Hamilton

Printed Name & Title Sharon R. Hamilton, Landman

Date 12/13/02 Telephone No. 505/623-4935

## OIL CONSERVATION DIVISION

Approved Until 12/17/03

By *[Signature]*  
PETROLEUM ENGINEER

Title \_\_\_\_\_

Date 11-22-2000

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