

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-129
Revised 4-1-91

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

2040 Pacheco St.
Santa Fe, NM 87505

Submit 3 Copies to
Appropriate District Office

NFO Permit No.

I-514-I

(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 South Fourth Street - Artesia, NM 88210

hereby requests an exception to Rule 306 for one (1) year

19, for the following described tank battery (or LACT):

Name of Lease Brent US State #1 Name of Pool Sandhills Grayburg San Andres

Location of Battery: Unit Letter K Section 32 Township 20S Range 39E

Number of wells producing into battery (1)

B. Based upon oil production of 3 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:

Getty (?)

D. Distance 1/4 mile Estimated cost of connection Unknown

E. This exception is requested for the following reasons:

It is uneconomical to lay a 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 Rusty Klein

Printed Name
& Title Rusty Klein - Operations Technician

Date Aug. 26, 2000 Telephone No. 505-748-1471

OIL CONSERVATION DIVISION

Approved Until 8-29-2001

By ORIGINAL SIGNED BY

Title GARY WINK
FIELD REP II

Date 8-29-2000

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