

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD-ARTESIA FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS		5 Lease Designation and Serial No NMNM99034
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals		6 If Indian Allottee or Tribe Name
SUBMIT IN TRIPLICATE		7 If Unit or CA Agreement Designation
1 Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other	SEP 26 2008 OCD-ARTESIA resubmit	8 Well Name and No Juniper BIP Federal #5
2 Name of Operator Yates Petroleum Corporation		9 API Well No 30-015-28577
3 Address and Telephone No 105 South Fourth Street, Artesia, NM 88210 (505) 7481471		10 Field and Pool, or Exploratory Area Nash Draw/ Delaware & Pierce Crossing/Bone Spring
4 Location of Well (Footage Sec. T., R., M., or Survey Description) 1780' FNL & 1650' FWL Section 4-T24S-R29E (Unit F. SENW)		11 County or Parish, State Eddy County, NM
12 CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing-
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Surface Pool / Lease Commingle	<input type="checkbox"/> Dispose Water
	Gas Only	(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation respectfully request administrative approval to Surface Pool / Lease Commingle Gas Only the following wells.

Federal
Juniper BIP Federal #5
Nash Draw/Delaware
Pierce Crossing/Bone Springs
Eddy County, NM
Federal Lease # NM-99034
API# 30-015-28577

Federal
Knoll AOK Federal #1
Cedar Canyon / Bone Springs
Eddy County, NM
Federal Lease # NM-85891
API# 30-015-28127

ACCEPTED FOR RECORD

SEP 29 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

The CDP is located ¼ mile south of the Knoll AOK Federal #1 at the Vision Energy Company Lease called HBP3-#1 Please see attached plat and site facility diagram

Diversified ownership by percentages Owners were notified verbally All in house subsidiaries.

The production from the Juniper BIP Federal #5 and the Knoll AOK Federal #1 is measured on lease and the sales point at a meter located on the Vision Energy Company Location

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production Estimated daily gas production for the Juniper BIP Federal #5 is 150 mcf and for the Knoll AOK Federal #1 is 0 mcf per day.

The purpose of the Surface Pool / Lease Commingle is to reduce operating costs for storage and treating, thereby extending the economic life of each well Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well This will greatly increase costs and shorten the economic life of the well

The proposed commingling is necessary for economic operation of the above referenced leases

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so

14 I hereby certify that the foregoing is true and correct		Date
Signed <i>Michelle Taylor</i> Title <i>Reg. Comp. Mgr.</i>	Date <i>8-1-08</i>	
(This space for Federal or State office use)		
Approved by <i>DAVID R. GLASS</i> Title <i>PETROLEUM ENGINEER</i>	Date <i>SEP 22 2008</i>	
Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction		

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220-6292
(505) 234-5972**

**Off-Lease Measurement, Storage, and Surface Commingling
Conditions Of Approval**

1. This agency be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.