

3/20/08

SUSPENSE

W Jones

ENGINEER

3/25/08

LOGGED IN

PLC

TYPE

PKU0808537626

APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mayte Reyes
 Print or Type Name

Mayte Reyes
 Signature

Production Clerk
 Title

3-17-08
 Date

mayter@ypcnm.com
 e-mail Address

RECEIVED
 2008 MAR 20 PM 2 04

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
☒ Well ☐ Well ☐ Other

2. Name of Operator
Yates Petroleum Corporation

3. Address and Telephone No.
105 South Fourth Street, Artesia, NM 88210 (505) 7481471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1780' FNL & 1650' FWL Section 4-T24S-R29E (Unit F, SENW)

5. Lease Designation and Serial No.
NMNM99034

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Juniper BIP Federal #5

9. API Well No.
30-015-28577

10. Field and Pool, or Exploratory Area
Nash Draw/ Delaware & Pierce Crossing/Bone Spring

11. County or Parish, State
Eddy County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Surface Pool / Lease Commingle

Gas Only

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing-
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(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.

F/4/24S/29E
Federal

Juniper BIP Federal #5

Nash Draw/Delaware

Pierce Crossing/Bone Springs

Eddy County, NM

Federal Lease # NM-99034

API# 30-015-28577

DHC-3961

G/3/24S/29E
Federal

Knoll AOK Federal #1

Cedar Canyon / Bone Springs

Eddy County, NM

Federal Lease # NM-85891

API# 30-015-28127

11520

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 built 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

Signed Marta Berge
(This space for Federal or State office use)

Title Production Secretary

Date March 17, 2008

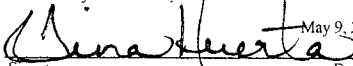
Approved by _____

Title _____

Date _____

Conditions of approval, if any:

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.

<div style="text-align: right; margin-bottom: 10px;">16</div> <div style="text-align: center; margin-bottom: 10px;">1780' N</div> <div style="text-align: center; margin-bottom: 10px;">1650' W</div> <div style="border: 2px solid black; width: 150px; height: 100px; margin: 0 auto; position: relative;"><div style="position: absolute; top: 0; right: 0; width: 10px; height: 10px; background-color: black;"></div></div>	<div style="text-align: right; margin-bottom: 10px;">17</div> <div style="text-align: center;">OPERATOR CERTIFICATION</div> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i></p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"><div style="text-align: center;"> Signature</div><div style="text-align: center;">May 9, 2008 Date</div></div> <div style="margin-top: 20px;"><div style="border-bottom: 1px solid black; width: 100%;"></div><div style="display: flex; justify-content: space-between;">Tina HuertaPrinted Name</div></div>
<div style="text-align: right; margin-bottom: 10px;">18</div>	<div style="text-align: center;">SURVEYOR CERTIFICATION</div> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <div style="margin-top: 20px;"><div style="border-bottom: 1px solid black; width: 100%;"></div><div style="display: flex; justify-content: space-between;">Date of SurveySignature and Seal of Professional Surveyor:</div></div> <div style="margin-top: 20px;"><div style="border-bottom: 1px solid black; width: 100%;"></div><div style="text-align: center;">Certificate Number</div></div>

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1900 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

ATTACHMENT A

REVISED JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-28577	² Pool Code 50371	³ Pool Name <i>Cedar Canyon</i> Pierce Crossing, Bone Springs
⁴ Property Code 034067	⁵ Property Name Juniper BIP Federal	⁶ Well Number #5
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3,075

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	24S	29E		1,780'	FNL	1,650'	FWL	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Debbie Chavez</i> Signature
	Debbie Chavez Printed Name Engineering Technician Title and E-mail Address 10/12/07 Date
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor:
	Certificate Number

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name		
4 Property Code		5 Property Name			6 Well Number	
		KNOLL "AOK" FEDERAL			1	
7 OGRID No.		8 Operator Name			9 Elevation	
		YATES PETROLEUM CORPORATION			3062.	

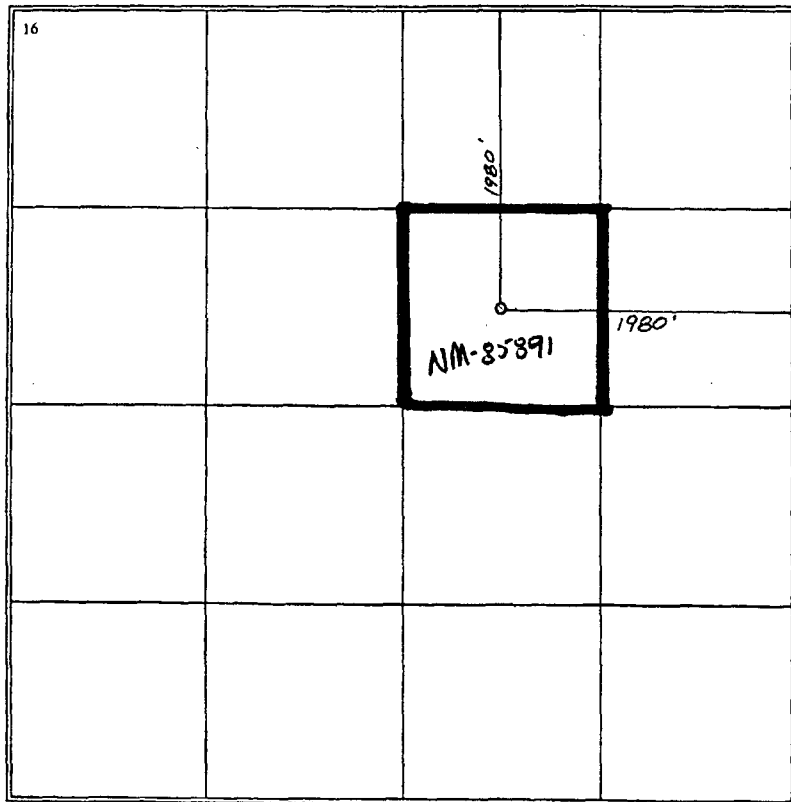
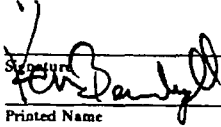
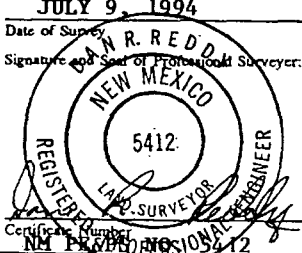
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	3	24 S	29 E		1980	NORTH	1980	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			
20									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> 	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: </p> <p>Printed Name: KEN BEARDEMPHL</p> <p>Title: LANDMAN</p> <p>Date: 7/4/94</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey: JULY 9, 1994</p> <p>Signature and Seal of Professional Surveyor: </p>

WELD35

Joint Billing Division Order Inquiry by Property Number

2/21/08
16:41:53

Property : 034067 005 JUNIPER BIP FEDERAL #5
Deck : B1 GWI BEFORE PAYOUT
Effective month/year : 05 / 2007

Owner	Seq	Owner Name	Inter Co#	Decimal Interest	Interest Type	Date Changed
005000	00	ABO PETROLEUM CORPORATION		.20000000	01 WOR	7/06/2007
640010	00	MYCO INDUSTRIES, INC.		.20000000	01 WOR	7/06/2007
994100	00	YATES DRILLING COMPANY		.20000000	01 WOR	7/06/2007
999900	00	YATES PETROLEUM CORPORATION		.40000000	01 WOR	7/06/2007

BLN/MNS Royalty owner.

Total Interest : 1.00000000

Bottom

F3=Exit F12=Previous

WELD35

Joint Billing Division Order Inquiry by Property Number

2/21/08

16:56:14

Property : 035350 001 KNOLL AOK FEDERAL #1

Deck : B1 GWI-BEFORE PAYOUT

Effective month/year : 07 / 1994

Owner	Seq	Owner Name	Inter Co#	Decimal Interest	Interest Type	Date Changed
005000	00	ABO PETROLEUM CORPORATION		.32000000	01 WOR	7/15/1994
640010	00	MYCO INDUSTRIES, INC.		.32000000	01 WOR	7/15/1994
994100	00	YATES DRILLING COMPANY		.32000000	01 WOR	7/15/1994
999900	00	YATES PETROLEUM CORPORATION		.04000000	01 WOR	7/15/1994

BLM/UMS Federal royalty
Just Received

Total Interest : 1.00000000

Bottom

F3=Exit F12=Previous

Jones, William V., EMNRD

From: Jones, William V., EMNRD

Sent: Thursday, April 10, 2008 3:52 PM

To: 'mayter@ypcnm.com'

Cc: Ezeanyim, Richard, EMNRD

Subject: Surface Commingle application from Yates: Juniper BIP Federal #5 and Knoll AOK Federal #1, Eddy County, NM

Hello Mayte:

Got your application to commingle these two wells and just need a couple more things:

- 1) Would you please have your engineer (Joe Chavez?) show where (on the diagram of the tank battery) the allocation meters would be on the oil and on the gas coming from each of these wells?
- 2) Ask the three other Yates entities to sign waivers allowing this commingling and send me copies of these waivers - verbal approval is not enough.
- 3) Send the C-102 for the Juniper BIP Fed #5 in the Nash Draw; Delaware Pool - my copy of the application did not show this.
- 4) Send a recent production plot from each Pool from each of these two wells.

Sorry for the trouble, but thank you in advance.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

MICHELLE.T@YPCNM.COM

4/10/2008

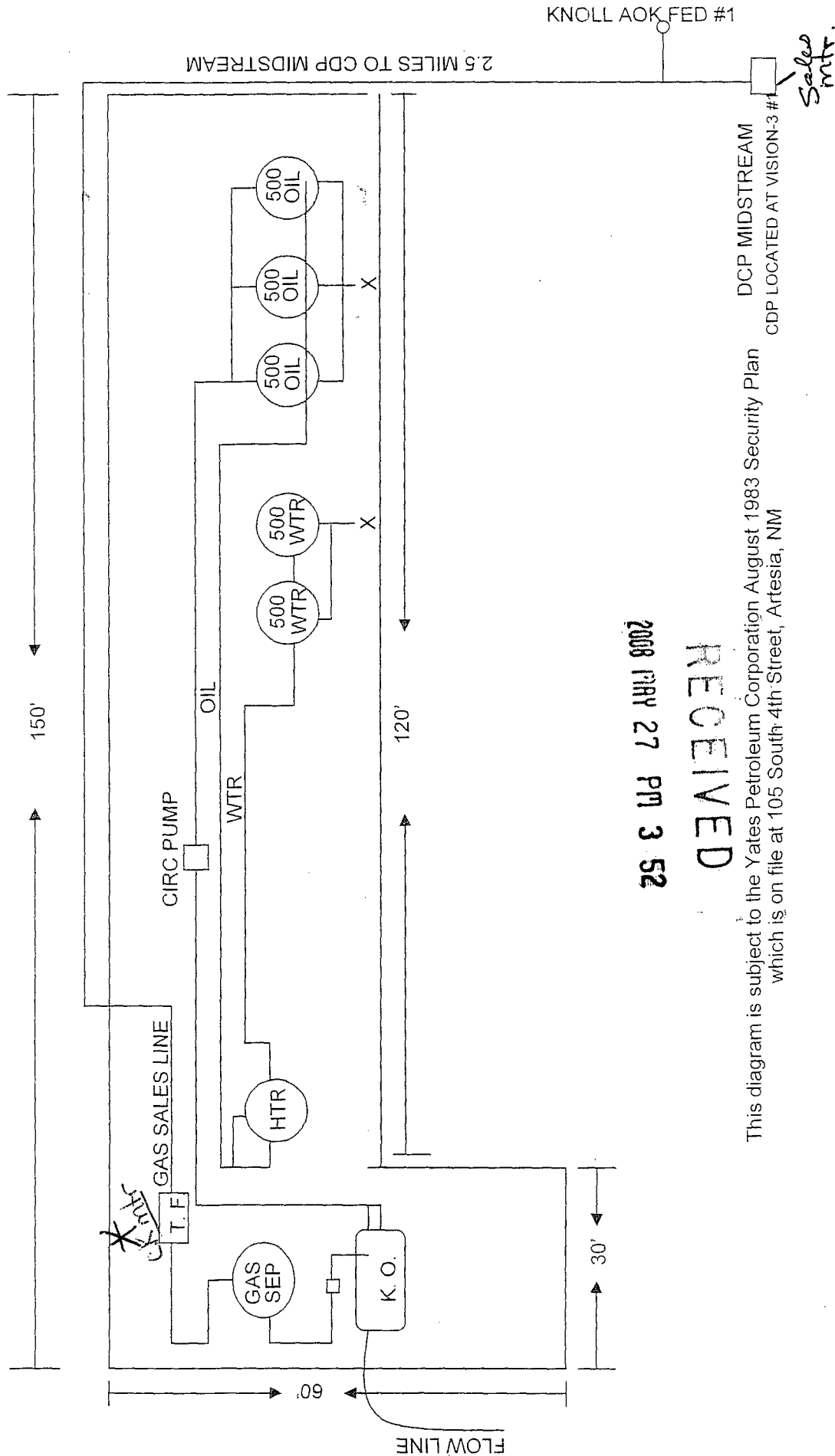


105 South 4th Street * Artesia, NM 88210
(505)-748-1471

Joe Chavez
February 2008

JUNIPER BIP FEDERAL #5

1780' FNL & 1650' FWL * Sec 04 - T24S - R29E * Unit F
EDDY, NEW MEXICO



2008 MAY 27 PM 3 52

RECEIVED

This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM

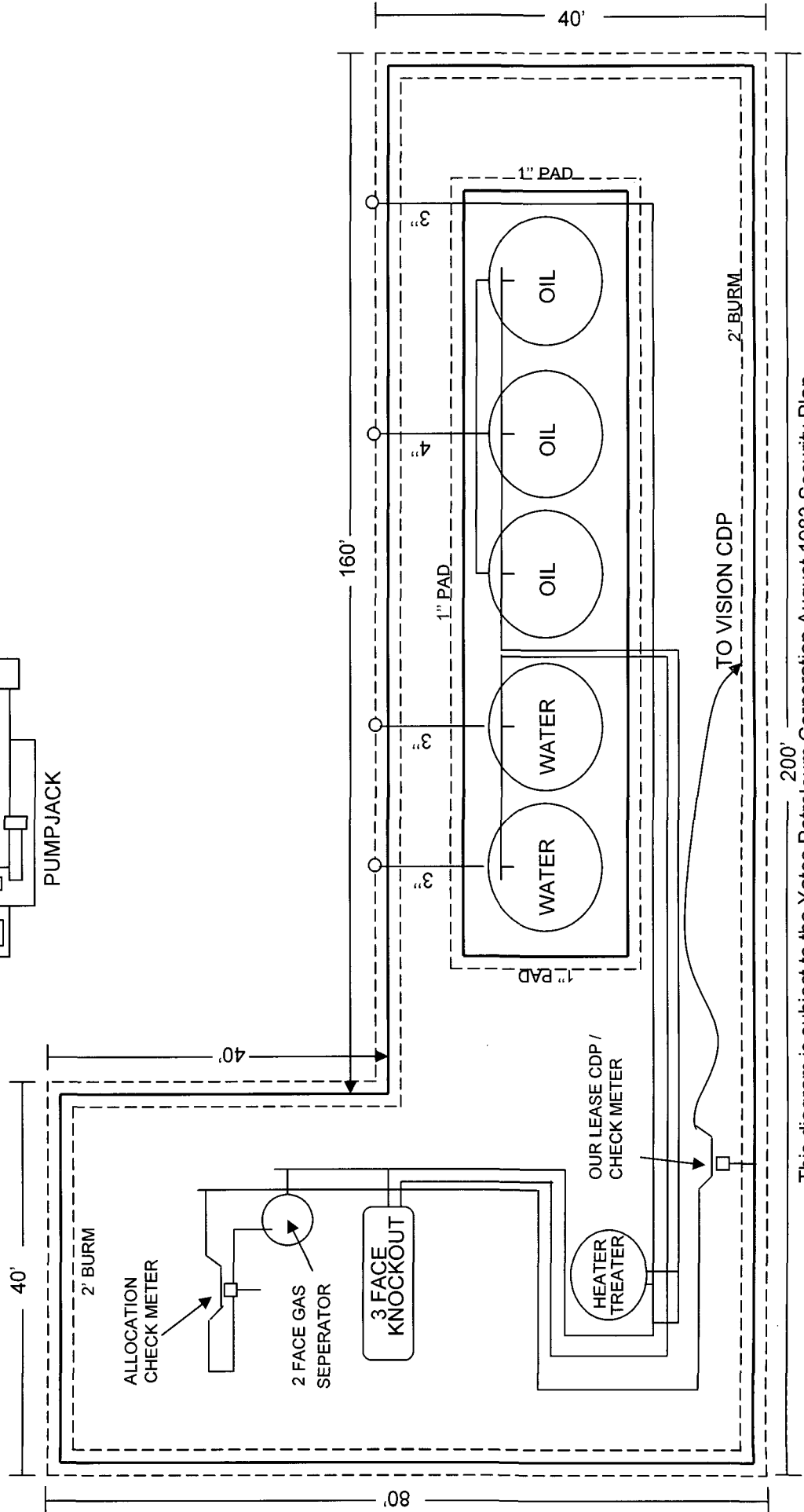
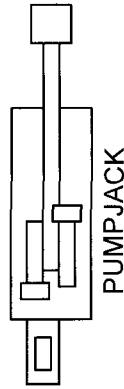
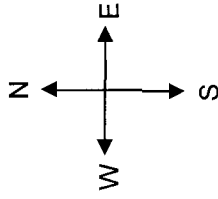


105 South 4th Street * Artesia, NM 88210
(505)-748-1471

Joe Chavez
May, 2008

KNOLL AOK FEDERAL #1

1980' FNL & 1980' FEL * Sec 3 - T24S - R29E * Unit G
Eddy County, NM
30-015-28127



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan
which is on file at 105 South 4th Street, Artesia, NM

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

May 19, 2008

Re: Surface Pool/Lease Commingle Gas only
Pierce Crossing/Bone Spring, Nash Draw/Delaware, Cedar Canyon Bone Spring
Eddy County, New Mexico

Dear Interest Owner:

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

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.

The purpose of the Commingling, 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.

Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: Yates Drilling Company

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

May 19, 2008

Re: Surface Pool/Lease Commingle Gas only
Pierce Crossing/Bone Spring, Nash Draw/Delaware, Cedar Canyon Bone Spring
Eddy County, New Mexico

Dear Interest Owner:

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

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.

The purpose of the Commingling, 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.

Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: ABO Petroleum Corporation

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

May 19, 2008

Re: Surface Pool/Lease Commingle Gas only
Pierce Crossing/Bone Spring, Nash Draw/Delaware, Cedar Canyon Bone Spring
Eddy County, New Mexico

Dear Interest Owner:

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

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.

The purpose of the Commingling, 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.

Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: MYCO Industries Inc.

Geol. Tops per /BGA

TX-650

BX-2805

Delaware - 3012
Lm

Bell Canyon - 3050

Cherry Canyon - 3945

Brushy Canyon - 5211

Bone Spring - 6758

200000 400
C.P. "4" Fed. #1
U.C. P SE NW
4-29-275