

DATE IN SUSPENSE 11/12/08

ENGINEER W Jones

LOGGED IN 11/13/08

TYPE PLC

APP NO. PKVR0831842206

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Yates

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 _____

*Juniper BIP Federal #5
30-075-28577
Eddy - Co
only well in Sec 4
"Asking For an Amend-
ment
To PLC-310
issued"*

[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

*Temp.
PLC-275*

[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.

MATE REYES Mate Reyes PRODUCTION CLERK 11-7-08
Print or Type Name Signature Title Date
mayte.r@ypcnm.com
e-mail Address

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
Malaga/ 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 for the addition to Surface Pool / Lease Commingle Gas Only PLC-310 approved on June 9th 2008

Please see attachment.

We are adding the Knoll AOK Federal #2H and the Knoll AOK Federal #3H (not yet drilled) wells to the Knoll AOK Federal #1 CDP which was approved by the OCD on June 9, 2008 and by the BLM on September 22, 2008.

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. Waivers are attached. All in house subsidiaries.

Each of these wells shall be equipped with allocation meters on gas prior to commingling for sales. The gas sales point for this commingled production shall be located at the Vision Energy Inc. CDP in the S/2of Sec. 3Unit J, K, or N.

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 Knoll AOK Federal #2H is 1.9 mcf, and the estimated gas production for the Knoll AOK Federal #3H is N/A 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

(This space for Federal or State office use)

Approved by

Approved by approval, if any:

Title Production Secretary

Title

Date November 7, 2008

Date

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.

Federal

Federal

Federal

Federal

Juniper BIP Federal #5
 — Malaga/Delaware *CPHC*
 — Pierce Crossing/Bone Springs
 Eddy County, NM
 Federal Lease # NM-99034
 API# 30-015-28577

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

Knoll AOK Federal #2H
 Cedar Canyon / Bone Springs
 Eddy County, NM
 Federal Lease # NM-85891
 API# 30-015-35108

Knoll AOK Federal #3H (not yet drilled)
 Cedar Canyon / Bone Springs
 Eddy County, NM
 Federal Lease # NM-85891
 API# 30-015-35907

320 Acres

318.62 Acres
 320

adding To
 PLC-310

Malaga/Delaware

42940

Cedar Canyon/Bone Springs

11520

Pierce Crossing/Bone Springs

50371

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Ave, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
200-

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: YATES PETROLEUM CORPORATION

OPERATOR ADDRESS: 105 SOUTH 4th STREET

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-310

Has the Comm. of Public Lands (BLM) and State Land office (SLO) consented in writing to the proposed commingling Yes No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Value of Non-Commingled Production	Calculated Value of Commingled Production	Volumes
<u>11500 CEDAR CANYON BONE SPUR</u>	<u>1.000</u>	<u>1.318</u>			
<u>50371 PIERRE CANYON BONE SPUR</u>	<u>1.318</u>				
<u>48140 MALAGA DELAWARE</u>	<u>1.318</u>				

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Are all working, royalty and overriding royalty interests common between pools? ☐ Yes ☒ No

(4) Include proof of notice to all interests if the answer to No. 3 is "No".

(5) Measurement type: ☒ Metering ☐ Well Test ☐ Subtraction Method

(6) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☒ No

(3) Are all working, royalty and overriding royalty interests common between leases? ☐ Yes ☒ No

(4) Include proof of notice to all interests if the answer to No. 3 is "No".

(5) Measurement type: ☒ Metering ☐ Well Test ☐ Subtraction Method (only when No. 3 is "Yes")

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

(4) If production is to be measured by well test, include testing frequency.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Mayte Reyes

TITLE: PRODUCTION CLERK

DATE: 11-7-08

TYPE OR PRINT NAME MAYTE REYES

TELEPHONE NO.: 575-748-4213

COP

KNOLL AOK FEDERAL #1 BATTERY

1980' FNL & 1980' FEL * Sec 3 - T24S - R29E * Unit G

Eddy County, NM

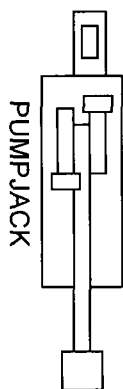
30-015-28127



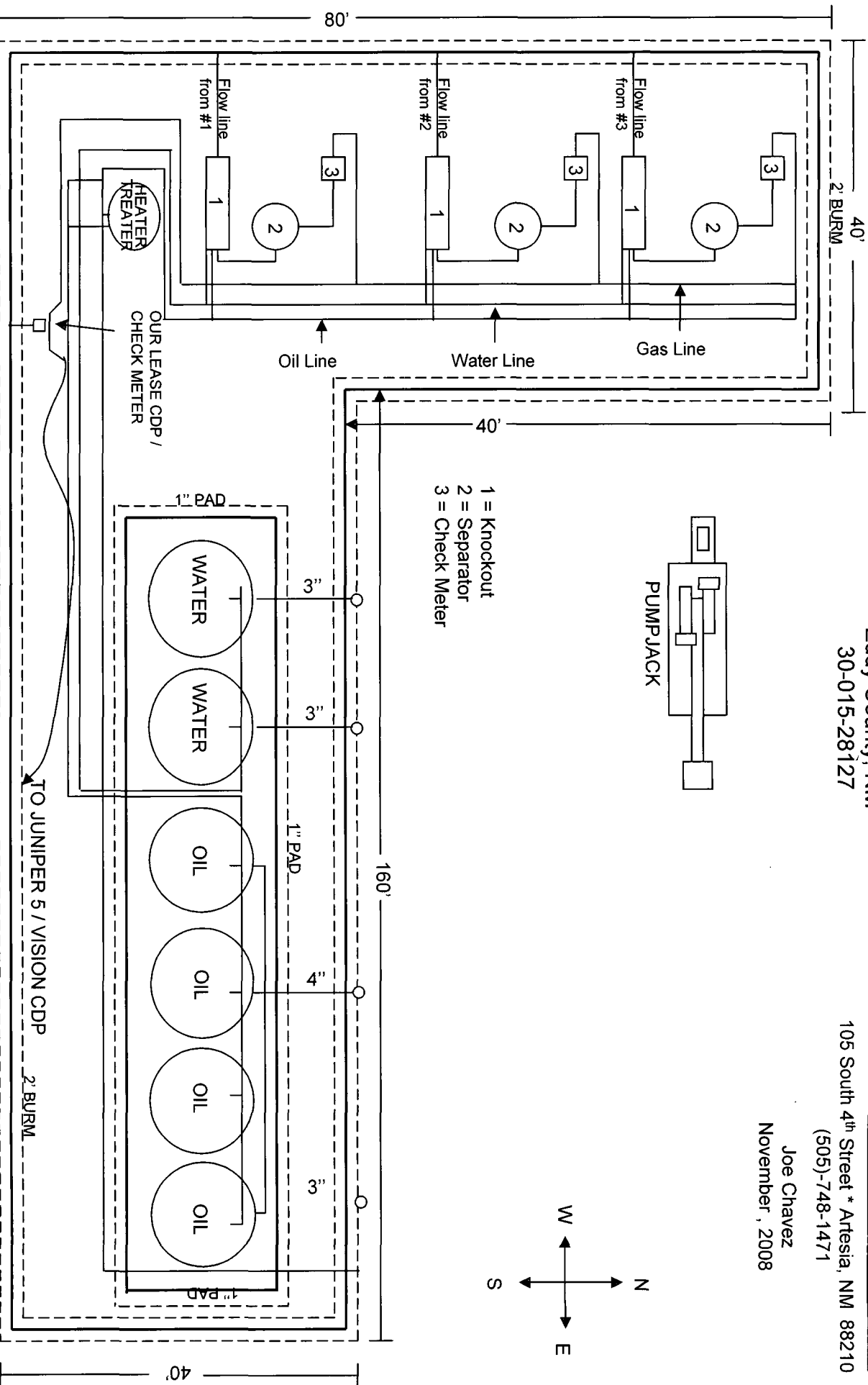
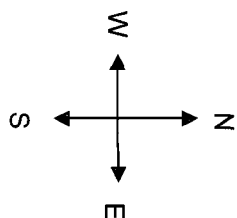
105 South 4th Street * Artesia, NM 88210

(505)-748-1471

Joe Chavez
November, 2008



- 1 = Knockout
- 2 = Separator
- 3 = Check Meter



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

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.

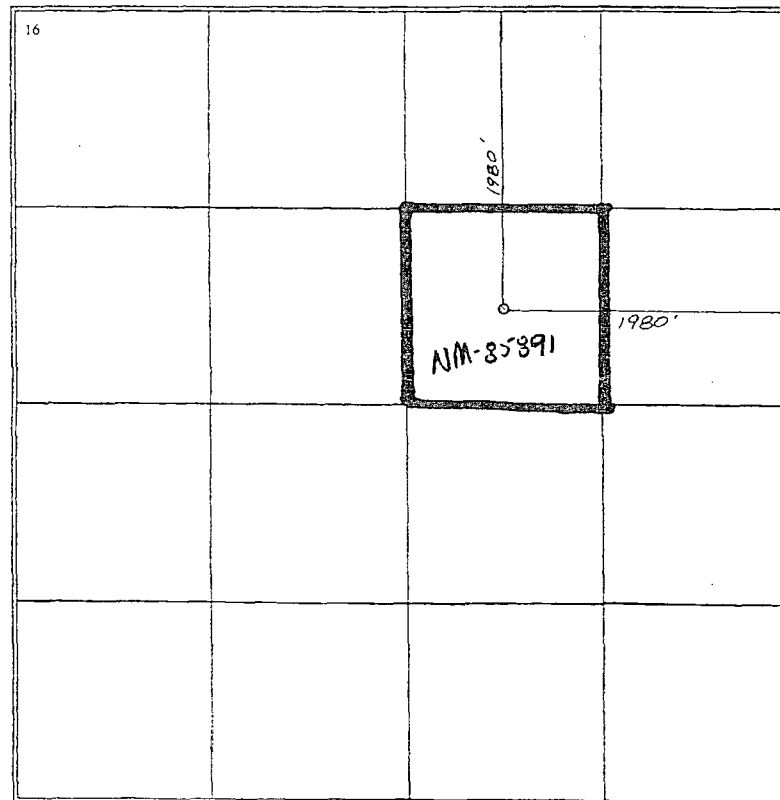
10 Surface Location

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.			
.70									

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: <i>Ken Beardemphl</i></p> <p>Printed Name: KEN BEARDEMPHL</p> <p>Title: LANDMAN</p> <p>Date: 7/7/94</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: <i>H. R. REDD</i></p> <p>NEW MEXICO 5412 REGISTERED LAND SURVEYOR</p> <p>Certificate Number: NM 85891-12</p>	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Elc Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Panhoco, Santa Fe, NM 87605

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1989
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat Bone Spring ✓
Property Code	Property Name Knoll AOK Federal	Well Number 2 H
OGED No. 025575	Operator Name Yates Petroleum Corp.	Elevation 3083'

Surface Location

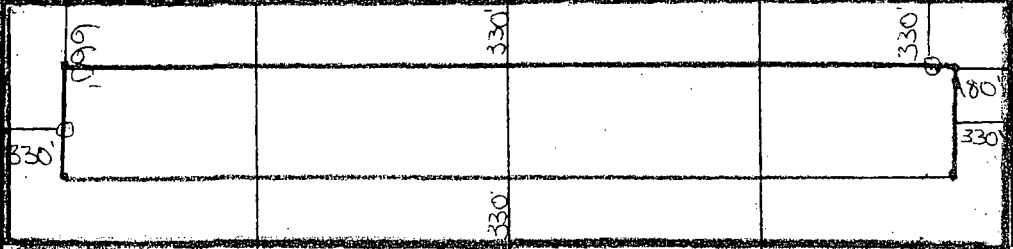
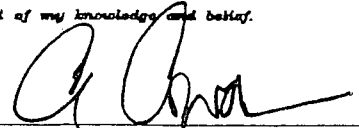
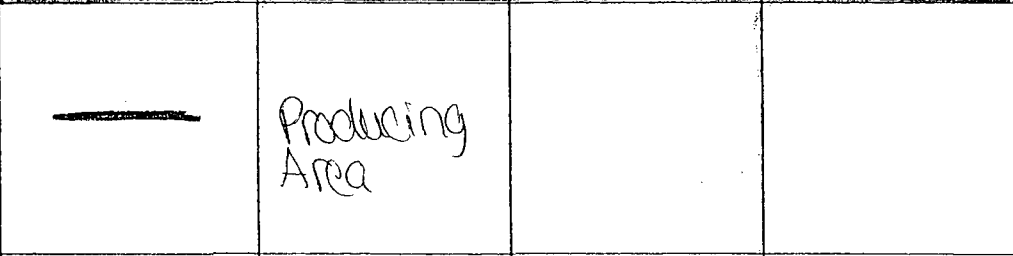
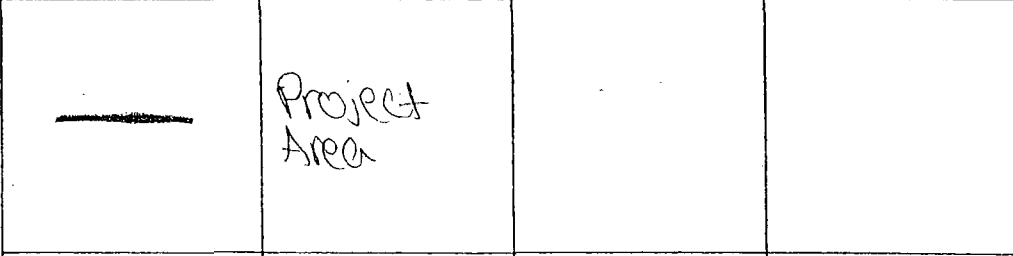
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	24 S	29 E		330	North	480	East	Eddy

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
D	3	24 S	29 E		660	North	330	West	Eddy

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan, Regulatory Agent Printed Name Title Refer to Original Plat Date
	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 Surveyed Signature & Seal of Professional Surveyor
	Certificate No.

DISTRICT I

1626 N. French Dr., Hobbs, NM 88340

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1989

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Wildcat Bone Spring
Property Code	Property Name	Well Number
	Knoll AOK Federal	3H
OGEID No.	Operator Name	Elevation
025575	Yates Petroleum Corp.	3058'


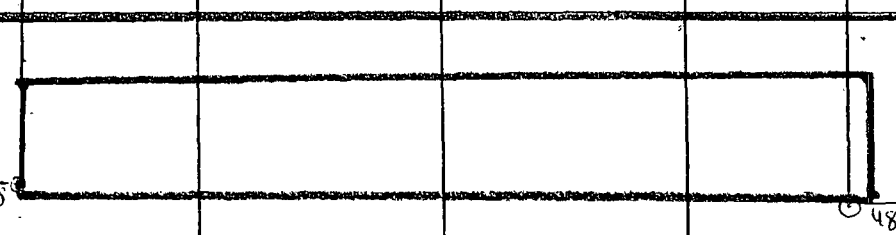
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	24 S	29 E		2310	North	480	East	Eddy

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
E	3	24 S	29 E		2210	North	330	West	Eddy
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			
160									

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

2210'				2310'		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan, Regulatory Agent Printed Name Title Date
330'					480'	
	Producing Area Project Area					

District I

1625 N. French Dr., Hobbs, NM 88249

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

ATTACHMENT A

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

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 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 Idn	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 Idn	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.
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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. 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

Scanned in NMOC system, not stamped
10-10-08

2nd copy
8-28-08

Form C-102

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 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

Revised October 12, 2005

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	³ Pool Name Wildcat; Delaware
⁴ Property Code 36237	⁵ Property Name Juniper BIP Federal		⁶ Well Number 5
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3078'GR

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
F	4	24S	29E		1780	North	1650	West	Eddy

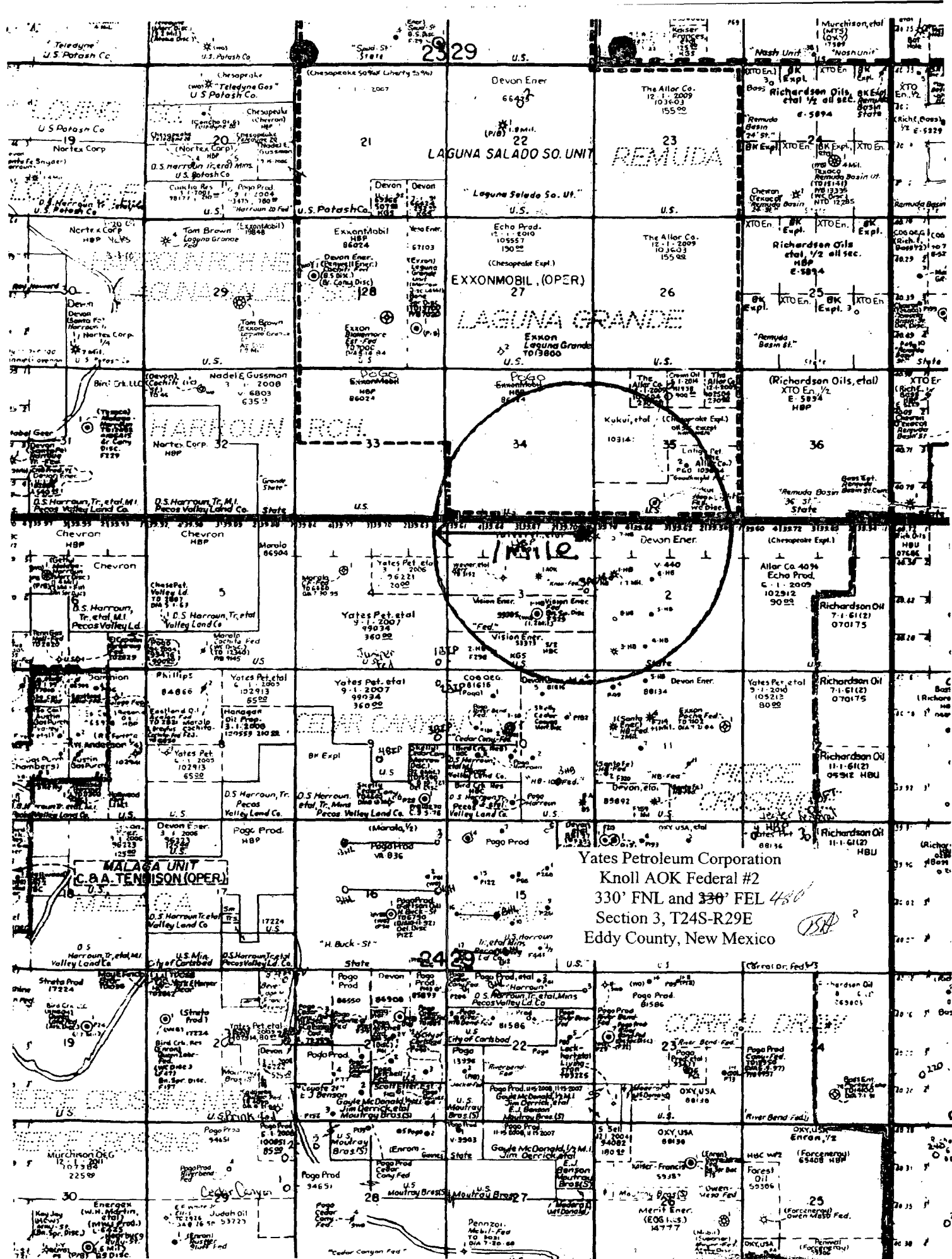
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION 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. Signature: <i>Mina Huerta</i> Date: May 9, 2008 Title: Huerta Printed Name:	
	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. Date of Survey: _____ Signature and Seal of Professional Surveyor: _____ Certificate Number: _____	

OK 10/13/08 CS



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

November 7, 2008

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

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval for the addition to Surface Pool / Lease Commingle Gas Only PLC-310 approved on June 9th 2008

Federal	Federal	Federal	Federal
Juniper BIP Federal #5 Malaga/Delaware Pierce Crossing/Bone Springs Eddy County, NM Federal Lease # NM-99034 API# 30-015-28577	Knoll AOK Federal #1 Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-28127	Knoll AOK Federal #2H Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-35108	Knoll AOK Federal #3H (not yet drilled) Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015- 35907

Each of these wells shall be equipped with allocation meters on gas prior to commingling for sales. The gas sales point for this commingled production shall be located at the Vision Energy Inc. CDP in the S/2of Sec. 3Unit J, K, or N.

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 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.

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
Mayte Reyes
Production Clerk

I hereby approve this application

Hannah Palomin

Company: MYCO Industries, Inc.

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

November 7, 2008

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

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval for the addition to Surface Pool / Lease Commingle Gas
Only PLC-310 approved on June 9th 2008

Federal	Federal	Federal	Federal
Juniper BIP Federal #5 Malaga/Delaware Pierce Crossing/Bone Springs Eddy County, NM Federal Lease # NM-99034 API# 30-015-28577	Knoll AOK Federal #1 Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-28127	Knoll AOK Federal #2H Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-35108	Knoll AOK Federal #3H (not yet drilled) Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015- 35907

Each of these wells shall be equipped with allocation meters on gas prior to commingling for sales. The gas sales point for this commingled production shall be located at the Vision Energy Inc. CDP in the S/2of Sec. 3Unit J, K, or N.

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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 (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
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FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

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November 7, 2008

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Pierce Crossing/Bone Spring, Malaga, Cedar Canyon Bone Spring
Eddy County, New Mexico

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Only PLC-310 approved on June 9th 2008

Federal	Federal	Federal	Federal
Juniper BIP Federal #5 Malaga/Delaware Pierce Crossing/Bone Springs Eddy County, NM Federal Lease # NM-99034 API# 30-015-28577	Knoll AOK Federal #1 Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-28127	Knoll AOK Federal #2H Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-35108	Knoll AOK Federal #3H (not yet drilled) Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015- 35907

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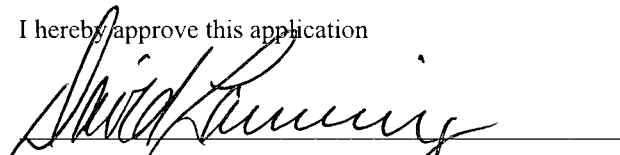
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Sincerely,


Mayte Reyes
Production Clerk

I hereby approve this application


Company: Yates 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

November 7, 2008

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Pierce Crossing/Bone Spring, Malaga, Cedar Canyon Bone Spring
Eddy County, New Mexico

Dear Interest Owner:

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Federal	Federal	Federal	Federal
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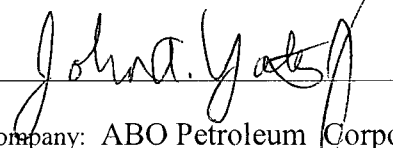
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Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application


Company: ABO Petroleum Corporation

Eddy

County,

NM

Township 24S Range _____

Township _____ Range _____

Township 24S Range 29E

Township _____ Range _____

Form 104--(Four on Township)

6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36
6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36

Sec 3 G



Knoll "AOK" Federal #1 - 40 Acres

Sec 3 A-D



Knoll "AOK" Federal #2 H 160

wildcat Bone Spring

Sec 3 H-E



Knoll "AOK" Fed #3 H 160

wildcat Bone Spring

Sec 4 F



Juniper NIP Fed #5 40

Pierco Crossing/Bone Springs
wildcat/Delaware

CDP (Jico N)