

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

NMOCD - ACOI 108-H

**IN THE MATTER OF YATES PETROLEUM CORPORATION,
Respondent.**

**EIGHTH AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Inactive Well Agreed Compliance Order 108, as amended, the Director of the Oil Conservation Division (OCD) hereby amends that Order as follows:

FINDINGS

1. Inactive Well Agreed Compliance Order 108 as amended (ACOI 108) requires Yates Petroleum Corporation (Operator) to return to compliance with OCD Rule 201 by August 10, 2009 at least 1 of the wells identified in ACOI 108 not previously identified as returned to compliance to meet its 18-well goal for the seventh period, and file a compliance report by August 10, 2009.

2. ACOI 108 further provides that if Operator returns to compliance with OCD Rule 201 by August 10, 2009 at least 1 well identified in ACOI 108 not previously identified as returned to compliance, and files a timely compliance report, upon verification of the report the OCD shall issue an amendment extending the terms of ACOI 108 for an additional six-month period, requiring Operator to return an additional 18 wells to compliance by that deadline. If Operator exceeds its compliance goal in any period, the excess wells shall count towards its compliance goal for the subsequent period(s). The total length of ACOI 108 shall not exceed 8 six-month periods.

3. Operator filed a timely compliance report, and the OCD has verified that Operator has returned to compliance the following 14 wells identified in ACOI 108 not previously identified as returned to compliance:

ARCO EC State #1	30-015-21472
Baccarat BJB State #1	30-015-24067
Dixon Yates LM Federal #1	30-015-23272
Federal GN #1	30-015-21946
Hillview AHE Federal Com #5	30-015-26600
John AGU #5	30-015-26861
John AGU #6	30-015-27027
Maddox QU Federal #1	30-015-23989
March AMT Federal #1	30-015-27506
Melena Federal #1	30-005-60865

Roden GD Federal #2	30-015-25852
Roden GD Federal #5	30-015-26207
Walt Canyon AMA Federal #1	30-015-10305
Warren ANW Federal #6	30-015-28786

CONCLUSIONS

1. Operator has returned to compliance 14 wells identified in ACOI 108 not previously identified as returned to compliance, exceeding its 1-well goal for the seventh period, and completing 13 of the 18 wells required for the eighth period.
2. The OCD should amend ACOI 108 to extend its terms through February 10, 2010, the end of the eighth period.

ORDER

1. To meet its 18-well goal for the eighth period, by February 10, 2010 Operator shall return to compliance thirteen wells identified in ACOI 108 that have not previously been identified as returned to compliance, and file a compliance report.
2. The terms of ACOI 108 as amended remain in effect.

Done at Santa Fe, New Mexico this 31st day of July, 2009

By: 

Mark Fesmire, P.E.

Director, Oil Conservation Division