

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

NMOCD – ACOI-235 B

IN THE MATTER OF YATES PETROLEUM CORPORATION,

Respondent.

**FIRST AMENDMENT TO
INACTIVE WELL
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 1.E of Inactive Well Agreed Compliance Order 235, the Director of the Oil Conservation Division (OCD), by and through her compliance manager, hereby amends Order 235 as follows:

FINDINGS

1. Yates Petroleum Corporation (“Yates”) has submitted a timely and complete report to the OCD’s Compliance and Enforcement Manager, and has begun recompletion work or plugging operations on at least 7 of the wells identified on Exhibit A of Inactive Wells Agreed Compliance Order 235 (ACOI 235).
2. ACOI 235 further provides that if Yates begins recompletion work or plugging operations on at least 7 of the wells by February 1, 2012, verified by the Compliance and Enforcement Manager’s review of Yates’s report, the OCD shall issue a second amendment to ACOI 235.
3. Yates filed a timely and complete report, verified by OCD that the following wells have either been re-completed or are in the process of recompletion:
 - a. NDDUP # 98 30-015-26976
 - b. NDDUP # 21 30-015-28542
 - c. NDDUP # 43 30-015-28541
 - d. NDDUP # 69H 30-015-28405
 - e. NDDUP # 76 30-015-26948
 - f. NDDUP # 92 30-015-28397
 - g. NDDUP # 117 30-015-28150

CONCLUSIONS

1. Yates has begun recompletion work on at least 7 wells identified on Exhibit A of ACOI 235.

ORDER

1. Yates shall submit a final written report to the OCD's Compliance and Enforcement Manager, by **September 1, 2012**, describing the results of its evaluation of the wells, and proposing a plan for returning the wells identified on Exhibit A to compliance, with a timeline for achieving compliance.


2. Yates and the OCD shall use the time period between September 1, 2012 and October 1, 2012, to enter into good faith negotiations for a new order setting a schedule for returning the wells identified on Exhibit A to compliance.

2. The OCD shall remove the wells identified on Exhibit A of ACOI 235 until October 1, 2012.

3. The terms of ACOI 235 as amended by ACOI 235-B otherwise remain in effect and are extended through October 1, 2012.

Done at Santa Fe, New Mexico this 13th day of March, 2012

By: _____

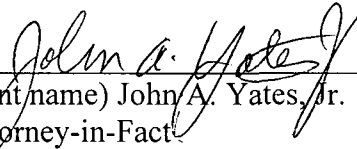

Daniel Sanchez
Compliance and Enforcement Manager
Oil Conservation Division

ACCEPTANCE

John A. Yates, Jr., Attorney-in-Fact for Yates Petroleum Corporation hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

YATES PETROLEUM CORPORATION

By: _____


(Please print name) John A. Yates, Jr. CSM

Title: Attorney-in-Fact

Date: March 6, 2012

Exhibit A to Agreed Compliance Order for Yates Petroleum Corporation

NDDUP #006	P	B-17-19S-25E	B	30-015-27047	O	15472	DAGGER DRAW;UPPER PENN, NORTH	11/2009
NDDUP #007	F	C-17-19S-25E	C	30-015-27165	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #009	P	A-18-19S-25E	A	30-015-26672	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #011	F	G-18-19S-25E	G	30-015-26292	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #020	S	H-16-19S-25E	H	30-015-28738	O	15472	DAGGER DRAW;UPPER PENN, NORTH	9/2009
NDDUP #021	S	I-16-19S-25E	I	30-015-28542	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #023	S	K-16-19S-25E	K	30-015-28424	O	15472	DAGGER DRAW;UPPER PENN, NORTH	12/2009
NDDUP #027	P	K-17-19S-25E	K	30-015-27417	O	15472	DAGGER DRAW;UPPER PENN, NORTH	3/2010
NDDUP #037	F	M-17-19S-25E	M	30-015-26570	O	15472	DAGGER DRAW;UPPER PENN, NORTH	5/2010
NDDUP #040	P	P-17-19S-25E	P	30-015-27631	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #041	P	M-16-19S-25E	M	30-015-27314	O	15472	DAGGER DRAW;UPPER PENN, NORTH	3/2010
NDDUP #042	S	N-16-19S-25E	N	30-015-28552	O	15472	DAGGER DRAW;UPPER PENN, NORTH	6/2010
NDDUP #043	S	O-16-19S-25E	O	30-015-28541	O	15472	DAGGER DRAW;UPPER PENN, NORTH	10/2009
NDDUP #044	S	P-16-19S-25E	P	30-015-28557	O	15472	DAGGER DRAW;UPPER PENN, NORTH	5/2010
NDDUP #045H	P	A-21-19S-25E	A	30-015-28404	O	15472	DAGGER DRAW;UPPER PENN, NORTH	6/2010
NDDUP #046	F	B-21-19S-25E	B	30-015-28501	O	15472	DAGGER DRAW;UPPER PENN, NORTH	5/2010
NDDUP #049	P	A-20-19S-25E	A	30-015-28374	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #052	F	D-20-19S-25E	D	30-015-25903	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #057	P	2-19-19S-25E	E	30-015-26635	O	15472	DAGGER DRAW;UPPER PENN, NORTH	2/2010
NDDUP #061	F	E-20-19S-25E	E	30-015-26770	O	15472	DAGGER DRAW;UPPER PENN, NORTH	4/2010
NDDUP #063	F	G-20-19S-25E	G	30-015-26997	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #066H	P	F-21-19S-25E	C	30-015-28410	O	15472	DAGGER DRAW;UPPER PENN, NORTH	3/2010
NDDUP #069H	P	I-21-19S-25E	I	30-015-28405	O	15472	DAGGER DRAW;UPPER PENN, NORTH	5/2010
NDDUP #076	F	L-20-19S-25E	L	30-015-26948	O	15472	DAGGER DRAW;UPPER PENN, NORTH	12/2009

NDDUP #081	P	4-19-19S-25E	M	30-015-26662	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #090	P	N-21-19S-25E	N	30-015-28409	O	15472	DAGGER DRAW;UPPER PENN, NORTH	4/2010
NDDUP #092	P	P-21-19S-25E	P	30-015-28397	O	15472	DAGGER DRAW;UPPER PENN, NORTH	3/2010
NDDUP #097H	P	A-29-19S-25E	A	30-015-30881	O	15472	DAGGER DRAW;UPPER PENN, NORTH	6/2010
NDDUP #098	P	B-29-19S-25E	B	30-015-26976	O	15472	DAGGER DRAW;UPPER PENN, NORTH	11/2009
NDDUP #101	S	A-30-19S-25E	A	30-015-27689	I	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #105	F	2-30-19S-25E	E	30-015-26489	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #106	F	F-30-19S-25E	F	30-015-27179	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #107	P	G-30-19S-25E	G	30-015-27012	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #108	P	H-30-19S-25E	H	30-015-27378	I	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #111	P	G-29-19S-25E	G	30-015-28669	O	15472	DAGGER DRAW;UPPER PENN, NORTH	7/2010
NDDUP #117	S	I-28-19S-25E	I	30-015-28150	O	15472	DAGGER DRAW;UPPER PENN, NORTH	12/2009
NDDUP #118	P	J-28-19S-25E	J	30-015-28003	O	15472	DAGGER DRAW;UPPER PENN, NORTH	12/2009
NDDUP #119	S	K-28-19S-25E	K	30-015-28053	O	15472	DAGGER DRAW;UPPER PENN, NORTH	8/2010
NDDUP #123	S	K-29-19S-25E	K	30-015-27355	O	15472	DAGGER DRAW;UPPER PENN, NORTH	7/2010
NDDUP #127	P	K-30-19S-25E	K	30-015-25787	O	15472	DAGGER DRAW;UPPER PENN, NORTH	2/2010
NDDUP #129	P	4-30-19S-25E	M	30-015-26364	O	15472	DAGGER DRAW;UPPER PENN, NORTH	3/2010
NDDUP #131	F	O-30-19S-25E	O	30-015-26763	O	15472	DAGGER DRAW;UPPER PENN, NORTH	6/2010
NDDUP #134	F	N-29-19S-25E	N	30-015-28346	O	15472	DAGGER DRAW;UPPER PENN, NORTH	12/2009