

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

**NMOCD - ACOI 108-E**

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

**FIFTH AMENDED  
AGREED COMPLIANCE ORDER**

Yates Petroleum Corporation (“Yates” or “Operator”) and the Oil Conservation Division (“OCD”) hereby amend Inactive Well Agreed Compliance Order 108 (“ACOI 108”) as follows:

**FINDINGS**

1. The following wells are added to Exhibit A of ACOI 108:

- |                                |              |
|--------------------------------|--------------|
| • Foster FF Com #2             | 30-015-26250 |
| • NDDUP Unit #67               | 30-015-20890 |
| • State CO Com #5              | 30-015-26465 |
| • Federal GN #1                | 30-015-21946 |
| • Garretson AMI Fed #1         | 30-015-27284 |
| • Gumby BAG Fed #1             | 30-015-32245 |
| • Lost Tank AIS St. #10        | 30-015-32522 |
| • Lowe Staple AMR Fed #1       | 30-015-10040 |
| • NDDUP Unit #127              | 30-015-25787 |
| • Suburb AZS St. Com #1        | 30-015-31906 |
| • Warren ANW Fed. #4           | 30-015-28604 |
| • Whitbread BFG Fed. Com #1    | 30-015-33932 |
| • Boyd BN #5                   | 30-015-29116 |
| • John AGU #3                  | 30-015-26546 |
| • John AGU #4                  | 30-015-26746 |
| • Kiwi AKZ #7                  | 30-025-31762 |
| • Kiwi AKX #9                  | 30-025-32255 |
| • NDDUP Unit #10               | 30-015-27342 |
| • Saguaro AGS Fed. Com #2      | 30-015-26310 |
| • East Sand Springs BFX St. #1 | 30-025-34790 |
| • March AMT Fed. #1            | 30-015-27506 |
| • Roden GD #2                  | 30-015-25852 |

Yates Petroleum Corporation

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- Baccarat BJG State #001 30-015-24067
- Fender State Unit #001 30-015-00012
- Maddox QU Federal #001 30-015-23989
- Melena Federal #001 30-005-60865

2. ACOI 108 provides that the total length of the order, including the initial period and any amendments, shall not exceed two years. Operator and the OCD hereby amend ACOI 108 to allow it to be extended for up to four additional six-month periods, if Operator meets its compliance goals, files timely compliance reports, and meets the financial assurance requirements of 19.15.3.101 NMAC.

3. Operator agrees to return to compliance with OCD Rule 201 by August 10, 2008 **at least 13** of the wells identified in Exhibit A not identified in Findings Paragraph 3 of ACOI 108-B, Findings Paragraph 3 of ACOI 108-C, or Findings Paragraph 3 of 108-D to meet its 18-well goal for this fifth period, and file a compliance report by August 10, 2008.

4. If Operator returns to compliance with OCD Rule 201 by August 10, 2008 at least thirteen of the wells identified in Exhibit A not identified in Findings Paragraph 3 of ACOI 108-B, Findings Paragraph 3 of ACOI 108-C, or Findings Paragraph 3 of ACOI 108-D, files a timely compliance report, and meets the financial assurance requirements of 19.15.3.101 NMAC, upon verification of the report the OCD shall issue an amendment extending the terms of ACOI-108 for a sixth six-month period, requiring Operator to return an additional **18 wells** from Exhibit A to compliance by that deadline.

5. If Operator continues to return **at least 18 additional wells** from Exhibit A to compliance in each period, file a timely compliance report and meets the financial assurance requirements of OCD Rule 19.15.3.101 NMAC, the OCD shall continue to issue amendments extending the terms of ACOI 108 for additional six-month periods. The total length of the order, including the original period and any amendments, shall not exceed four years.

6. If Operator exceeds its compliance goal in any period, the excess wells shall count towards its compliance goal for the subsequent period(s).

7. If, at the compliance deadline, Operator fails to file a timely compliance report, fails to meet its compliance goals, or is out of compliance with the financial assurance requirements of OCD Rule 19.15.3.101 NMAC, the provisions of Ordering Paragraphs 5 and 6 of original ACOI 108 apply.

8. Operator's written compliance reports shall be mailed or e-mailed to the OCD Compliance and Enforcement Manager and the OCD attorney in charge of ACOIs so they are received by the applicable deadline.

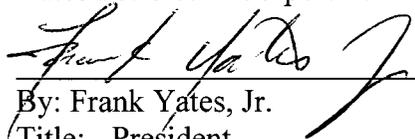
9. Provisions in the original ACOI 108 not changed by this amendment remain in effect.

Done at Santa Fe, New Mexico this 12<sup>th</sup> day of March, 2008

By:   
Mark Fesmire, P.E.  
Director, Oil Conservation Division

**ACCEPTANCE**

Yates Petroleum Corporation hereby accepts this amendment to ACOI 108, and agrees to all of the terms and provisions set forth in this amendment.

Yates Petroleum Corporation  
  
By: Frank Yates, Jr. Pgm  
Title: President  
Date: 3/11/08