

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



2008 MAY 1 PM 12 09

16 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

April 29, 2008

New Mexico Oil Conservation Division
Engineering Bureau
1220 South Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Mark Fesmire

Re: Administrative Application of Yates Petroleum Corporation for Approval of an Unorthodox Gas Well Location, Chaves County New Mexico

Dear Mr. Fesmire:

Per your department's request, find enclosed a signed Exhibit B to the request Yates Petroleum Corporation made for an unorthodox gas well location for any and all gas production for its proposed Oreck BDO Com #1 well. The signatures reflect the Yates' entities concurrence with this request. Should you need to discuss you may call me at (575) 748-4335.

Respectfully submitted,

YATES PETROLEUM CORPORATION

W. "Lucky" Briggs
Associate Landman

Enclosure

Faint mirrored text from the reverse side of the page, likely bleed-through from the other side of the document.

Exhibit B
Affected Parties

Oreck BDO Com #1
Township 10 South, Range 26 East, NMPM
Section 21 - E/2
Chaves County, NM

Tract 1 (NE/4)

Fee Leases Lessee: Warren Resources, Inc. (Operator) 123 West 1st Street, Suite 505
Casper, WY 82601

Overriding Royalty Madison M. Hinkle, whose P.O. Box 2292
Interests Owners: wife is Susan Hinkle Roswell, NM 88202-2292

Rolla R. Hinkle, III, whose P.O. Box 2292
wife is Rosemary Hinkle Roswell, NM 88202-2292

Tract 2 (SE/4)

BLM Lease Lessees: Yates Petroleum Corp. (Operator) 105 South Fourth Street
NM-21494 Yates Drilling Company Artesia, NM 88210-2118
Myco Industries, Inc.
Abo Petroleum Corporation

Royalty Interests Bureau of Land Management 2909 W. 2nd Street
Owner: Roswell, NM 88201
Attn: Angel Mayes

Overriding Royalty Alene Dalley, John Tilley and P.O. Box 99084
Interests Owners: The Liberty Bank & Trust Fort Worth, TX 76199-0084
Company of Oklahoma City, Trustees Attn: Treva Johnson
of the William B. Scheidt Living
Trust dated 5/3/95

April 9, 2008

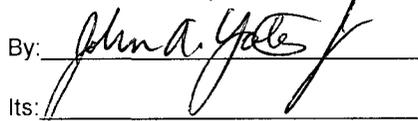
We understand that Yates Petroleum Corporation in accordance with Division General Rule 104.F has applied to the New Mexico Oil Conservation Division for approval of an unorthodox gas well location. We approve of this request.

Yates Drilling Company

By: 

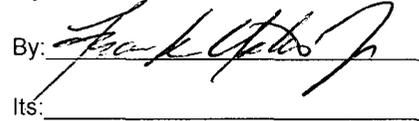
Its: _____

Abo Petroleum Corporation

By: 

Its: _____

Myco Industries, Inc.

By: 

Its: _____