

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

NMOCD - ACOI 108-G

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

**SEVENTH 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, 2008 at least 13 of the wells identified in ACOI 108 not previously identified as returned to compliance to meet its 18-well goal for the fifth period, and file a compliance report by August 10, 2008.

2. ACOI 108 further provides that if Operator returns to compliance with OCD Rule 201 by August 10, 2008 at least 13 wells 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 48 wells identified in ACOI 108 not previously identified as returned to compliance:

Alkali Federal Com #10	30-005-61356
Arco EI Federal #1	30-015-21591
Big Hat State BKI St. #3	30-025-36223
Boddington BKD Fed #1	30-015-33680
Cholla Age Federal #1	30-015-26071
Conoco AGK Federal #4	30-015-26735
Creek AL Federal #001	30-015-10430
Creek AL Federal #002	30-015-04540
Creek AL Federal #004	30-015-20247
Creek AL Federal #006	30-015-20271

Creek AL Federal #007	30-015-20284
Creek AL Federal #008	30-015-20289
Creek AL Federal #009	30-015-20290
Fender State Unit #1	30-025-00012
Gumby Bag Federal #1	30-015-32245
Hill View AHE Federal Com #016	30-015-27125
Jackson AT Com #009	30-015-22799
Kinbeto RG Federal #1	30-045-25087
Kincaid BI #1	30-015-20064
Kiwi AKX #7	30-025-31762
Kiwi AKX #9	30-025-32255
Kris State Unit #2	30-025-36564
Larue XX Federal #1	30-015-00088
Loafer Draw Fed #1	30-015-24746
Lost Tank AIS State #10	30-015-32522
Lowe Staple AMR Federal #1	30-015-10040
Mobil BB #1	30-015-20031
NDDUP #2	30-015-28413
Nickson BM #4	30-015-22293
Nix & Curtis #1	30-015-00239
Nix Yates Federal #1	30-041-10095
Northwestern Shores XR Fed #1	30-015-24600
Pennzoil MZ SWD #1	30-015-23188
Polo AOP Federal Com #2	30-015-20334
Rio Pecos GB Com #002	30-015-22492
Rio Pecos KO Federal #1	30-015-22899
Saguaro AGS Federal Com #2	30-015-26310
Saguaro AGS Federal Com #4	30-015-26420
Saguaro AGS Federal Com #5	30-015-26475
Saguaro AGS Federal Com #8	30-015-26517
Sand Tank 18 Federal Com #1	30-015-32439
State Co Com #5	30-015-26465
Suburb AZS State Com #1	30-015-31906
Tesuque TQ Federal #1	30-005-61859
Vest Ranch RE Federal #1	30-005-21086
Williamson BC Federal #3	30-015-21628
Yates Federal #2	30-015-21065
Yates Federal #3	30-015-22116

CONCLUSIONS

1. Operator has returned to compliance 48 wells identified in ACOI 108 not previously identified as returned to compliance, exceeding its 13-well goal for the fifth period, meeting its 18 well goal for the sixth period, and completing 17 of the 18 wells required for the seventh period.

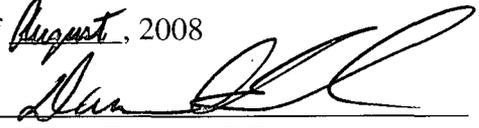
2. The OCD should amend ACOI 108 to extend its terms through August 10, 2009, the end of the seventh period.

ORDER

1. To meet its 18-well goal for the seventh period, by August 10, 2009 Operator shall return to compliance one well identified in ACOI 108 that has 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 19th day of August, 2008

By: 

Mark Fesmire, P.E.

 Director, Oil Conservation Division