

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



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JOHN A. YATES  
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.  
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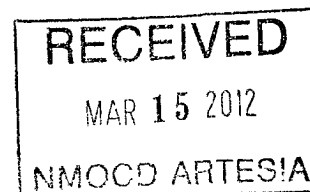
JAMES S. BROWN  
CHIEF OPERATING OFFICER

JOHN D. PERINI  
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA  
CHIEF ADMINISTRATIVE OFFICER

March 14, 2012

State of New Mexico Oil Conservation Division  
Attention: Randy Dade  
811 S. First Street  
Artesia, NM 88210



Re: Suburb "AZA" 36 State Com #1  
& Pinto 36 State Com 4H – Spacing  
Township 18 South, Range 25 East  
Section 36: NENE  
Eddy County, New Mexico

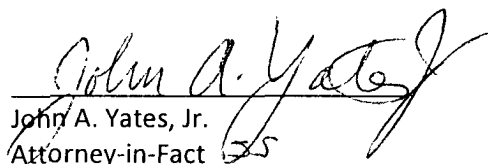
Gentlemen:

Yates Petroleum Corporation is the operator of the Suburb "AZA" 36 State Com #1. The well spacing covers the north half of Section 36, T18S, R25E. COG Operating LLC recently filed an Application for Permit to Drill ("APD") for the Pinto 36 State #4H. The APD was rejected because the bottom hole location (330' FNL & 1040' FEL) is in the same spacing as the Suburb "AZS" 36 State Com #1 well.

Yates Petroleum Corporation does not oppose the bottom hole location for the Pinto 36 State #4H APD from COG Operating LLC.

Please let me know if you need any more information in order to get the above mentioned APD approved.

Sincerely,

  
John A. Yates, Jr.  
Attorney-in-Fact

JY/mh

c: David Brooks, Engineer  
Stuart A. Dirks, CPL, CDOA