

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOCD-ARTESTA
JAN 27 2009FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS		5 Lease Designation and Serial No. NMNM99034
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir Use "APPLICATION FOR PERMIT--" for such proposals		6 If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE		7 If Unit or CA. Agreement Designation
1 Type of Well Oil <input type="checkbox"/> Gas <input type="checkbox"/> <input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other		8 Well Name and No. Juniper BIP Federal #5
2 Name of Operator Yates Petroleum Corporation		9 API Well No. 30-015-28577
3 Address and Telephone No. 105 South Fourth Street, Artesia, NM 88210 (505) 7481471		10. Field and Pool, or Exploratory Area Malaga/ Delaware & Pierce Crossing/Bone Spring
4 Location of Well (Footage, Sec. T, R, M., or Survey Description) 1780' FNL & 1650' FWL Section 4-T24S-R29E (Unit F, SENW)		11 County or Parish, State Eddy County, NM
12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing-
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Surface Pool / Lease Commingle	<input type="checkbox"/> Dispose Water
	Gas Only	(Note: Report results of multiple completion on Well completion or Recompletion Report and Log Form)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation respectfully request administrative approval for the addition to Surface Pool / Lease Commingle Gas Only PLC-310 approved on June 9th 2008

Please see attachment.

We are adding the Knoll AOK Federal #2H and the Knoll AOK Federal #3H (not yet drilled) wells to the Knoll AOK Federal #1 CDP which was approved by the OCD on June 9, 2008 and by the BLM on September 22, 2008

The CDP is located ¼ mile south of the Knoll AOK Federal #1 at the Vision Energy Company Lease called HBP3-#1 Please see attached plat and site facility diagram.

Diversified ownership by percentages. Waivers are attached All in house subsidiaries.

Each of these wells shall be equipped with allocation meters on gas prior to commingling for sales. The gas sales point for this commingled production shall be located at the Vision Energy Inc. CDP in the S/2of Sec. 3Unit J, K, or N

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production. Estimated daily gas production for the Knoll AOK Federal #2H is 1.9 mcf, and the estimated gas production for the Knoll AOK Federal #3H is N/A mcf per day

The purpose of the Surface Pool / Lease Commingle is to reduce operating costs for storage and treating, thereby extending the economic life of each well Without approval for utilizing existing batteries on adjacent leases, it will become necessary to build separate facilities for each well This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases

We understand that the request approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument And, we will submit within 30 days an application for right of way approval to the BLM's Realty Section in your office if we have not already done so.

14 I hereby certify that the foregoing is true and correct

Signed

(This space for Federal or State office use)

Approved by

Conditions of approval, if any

Title Production Secretary

Gerry Guye, Deputy Field Inspector

NMCCD-District II ARTESIA

JAN 27 2009

Date November 11, 2008

Date

CARLSBAD FIELD OFFICE

ACCEPTED FOR RECORD

JAN 25 2009

Federal

Juniper BIP Federal #5
Malaga/Delaware
Pierce Crossing/Bone Springs
Eddy County, NM
Federal Lease # NM-99034
API# 30-015-28577

Federal

Knoll AOK Federal #1
Cedar Canyon / Bone Springs
Eddy County, NM
Federal Lease # NM-85891
API# 30-015-28127

Federal

Knoll AOK Federal #2H
Cedar Canyon / Bone Springs
Eddy County, NM
Federal Lease # NM-85891
API# 30-015-35108

Federal

Knoll AOK Federal #3H (not yet drilled)
Cedar Canyon / Bone Springs
Eddy County, NM
Federal Lease # NM-85891
API# 30-015- 35907