

3/20/08

SUSPENSE

W Jones

ENGINEER

3/25/08

LOGGED IN

PLC

TYPE

PKU0808537626

APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
[] NSL [] NSP [] SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
[] DHC [] CTB [x] PLC [] PC [] OLS [] OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
[] WFX [] PMX [] SWD [] IPI [] EOR [] PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [] Does Not Apply

- [A] [x] Working, Royalty or Overriding Royalty Interest Owners
[B] [] Offset Operators, Leaseholders or Surface Owner
[C] [] Application is One Which Requires Published Legal Notice
[D] [] Notification and/or Concurrent Approval by BLM or SLD
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] [] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] [] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mayte Reyes
Print or Type Name

Mayte Reyes
Signature

Production Clerk
Title

3-17-08
Date

mayter@ypcnm.com
e-mail Address

RECEIVED
2008 MAR 20 PM 2 04

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well
Oil Gas
 Well Well Other

2. Name of Operator
Yates Petroleum Corporation

3. Address and Telephone No.
105 South Fourth Street, Artesia, NM 88210 (505) 7481471

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1780' FNL & 1650' FWL Section 4-T24S-R29E (Unit F, SENW)

5. Lease Designation and Serial No.
NMNM99034

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Juniper BIP Federal #5

9. API Well No.
30-015-28577

10. Field and Pool, or Exploratory Area
Nash Draw/ Delaware & Pierce Crossing/Bone Spring

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
 Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION
 Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other Surface Pool / Lease Commingle

Gas Only

Change of Plans
 New Construction
 Non-Routine Fracturing-
 Water Shut-Off
 Conversion to Injection
 Dispose Water
(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 to Surface Pool / Lease Commingle Gas Only the following wells.

F/4/24S/29E *G/3/24S/29E*
Federal Federal
Juniper BIP Federal #5 Knoll AOK Federal #1
Nash Draw/Delaware Cedar Canyon / Bone Springs *11520*
Pierce Crossing/Bone Springs
Eddy County, NM Eddy County, NM
Federal Lease # NM-99034 Federal Lease # NM-85891
API# 30-015-28577 API# 30-015-28127

DHC-3961
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. Owners were notified ~~verbally~~. All in house subsidiaries.

The production from the Juniper BIP Federal #5 and the Knoll AOK Federal #1 is measured on lease and the sales point at a meter located on the Vision Energy Company Location.

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 Juniper BIP Federal #5 is 150 mcf and for the Knoll AOK Federal #1 is 0 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 built 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 *Mark Reese*
(This space for Federal or State office use)

Title Production Secretary

Date March 17, 2008

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-28577	² Pool Code	³ Pool Name Wildcat; Delaware
⁴ Property Code 36237	⁵ Property Name Juniper BIP Federal	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁶ Well Number 5
⁹ Elevation 3078'GR		

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	24S	29E		1780	North	1650	West	Eddy

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i> Signature Date May 9, 2008
	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

ATTACHMENT A

REVISED JUNE 10, 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-28577	² Pool Code 50371	³ Pool Name <i>Cedar Canyon</i> Pierce Crossing; Bone Springs
⁴ Property Code 034067	⁵ Property Name Juniper BIP Federal	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	
		⁶ Well Number #5
		⁹ Elevation 3,075

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	24S	29E		1,780'	FNL	1,650'	FWL	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

					<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center;"><i>Debbie Chavez</i></p> <p>Signature</p> <hr/> <p>Debbie Chavez Printed Name</p> <hr/> <p>Engineering Technician Title and E-mail Address</p> <hr/> <p>10/12/07 Date</p>
1050' W	1780' N				
					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Refer to Original Plat</p> <hr/> <p>Date of Survey</p> <hr/> <p>Signature and Seal of Professional Surveyor:</p> <hr/> <p>Certificate Number</p>

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name			6 Well Number
		KNOLL "AOK" FEDERAL			1
7 OGRID No.		8 Operator Name			9 Elevation
		YATES PETROLEUM CORPORATION			3062.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	3	24 S	29 E		1980	NORTH	1980	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
2.70			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
				Signature: <i>Ken Beardemphl</i>
				Printed Name: KEN BEARDEMPHL Title: LANDMAN Date: 7/4/94
			18 SURVEYOR CERTIFICATION	
			I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
			Date of Survey: JULY 9, 1994	
			Signature and Seal of Professional Surveyor: <i>W. R. REDD</i>	
			Certificate Number: NM PROFESSIONAL 5412	

Property : 034067 005 JUNIPER BIP FEDERAL #5
Deck : B1 GWI BEFORE PAYOUT
Effective month/year : 05 / 2007

Owner	Seq	Owner Name	Inter Co#	Decimal Interest	Interest Type	Date Changed
005000	00	ABO PETROLEUM CORPORATION		.20000000	01 WOR	7/06/2007
640010	00	MYCO INDUSTRIES, INC.		.20000000	01 WOR	7/06/2007
994100	00	YATES DRILLING COMPANY		.20000000	01 WOR	7/06/2007
999900	00	YATES PETROLEUM CORPORATION		.40000000	01 WOR	7/06/2007

BLM/MNS Royalty owner.



Total Interest : 1.00000000

Bottom

F3=Exit F12=Previous

2/21/08
16:56:14

Property : 035350 001 KNOLL AOK FEDERAL #1
Deck : B1 GWI-BEFORE PAYOUT
Effective month/year : 07 / 1994

Owner	Seq	Owner Name	Inter Co#	Decimal Interest	Interest Type	Date Changed
005000	00	ABO PETROLEUM CORPORATION		.32000000	01 WOR	7/15/1994
640010	00	MYCO INDUSTRIES, INC.		.32000000	01 WOR	7/15/1994
994100	00	YATES DRILLING COMPANY		.32000000	01 WOR	7/15/1994
999900	00	YATES PETROLEUM CORPORATION		.04000000	01 WOR	7/15/1994

*BLM/MMS Federal royalty
Joint Rental*

Total Interest : 1.00000000

Bottom

F3=Exit F12=Previous

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, April 10, 2008 3:52 PM
To: 'mayter@ypcnm.com'
Cc: Ezeanyim, Richard, EMNRD
Subject: Surface Commingle application from Yates: Juniper BIP Federal #5 and Knoll AOK Federal #1, Eddy County, NM

Hello Mayte:

Got your application to commingle these two wells and just need a couple more things:

- 1) Would you please have your engineer (Joe Chavez?) show where (on the diagram of the tank battery) the allocation meters would be on the oil and on the gas coming from each of these wells?
- 2) Ask the three other Yates entities to sign waivers allowing this commingling and send me copies of these waivers - verbal approval is not enough.
- 3) Send the C-102 for the Juniper BIP Fed #5 in the Nash Draw; Delaware Pool - my copy of the application did not show this.
- 4) Send a recent production plot from each Pool from each of these two wells.

Sorry for the trouble, but thank you in advance.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

MICHELLE.T@YPCNM.COM

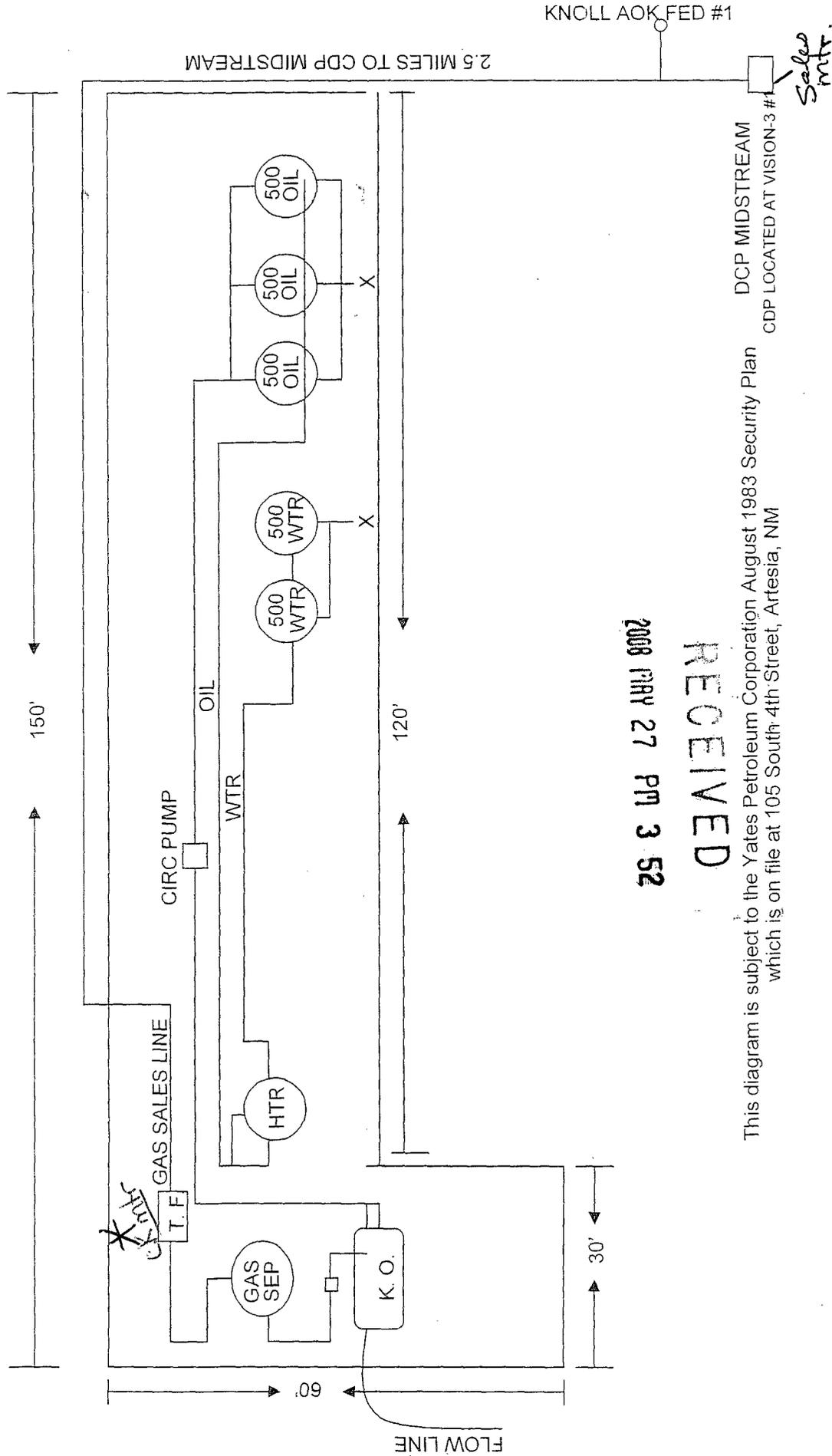


105 South 4th Street * Artesia, NM 88210
(505)-748-1471

Joe Chavez
February 2008

JUNIPER BIP FEDERAL #5

1780' FNL & 1650' FWL * Sec 04 - T24S - R29E * Unit F
EDDY, NEW MEXICO



2008 MAY 27 PM 3 52

RECEIVED

This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM

DCP MIDSTREAM
CDP LOCATED AT VISION-3 #1

Scaled
mtr.

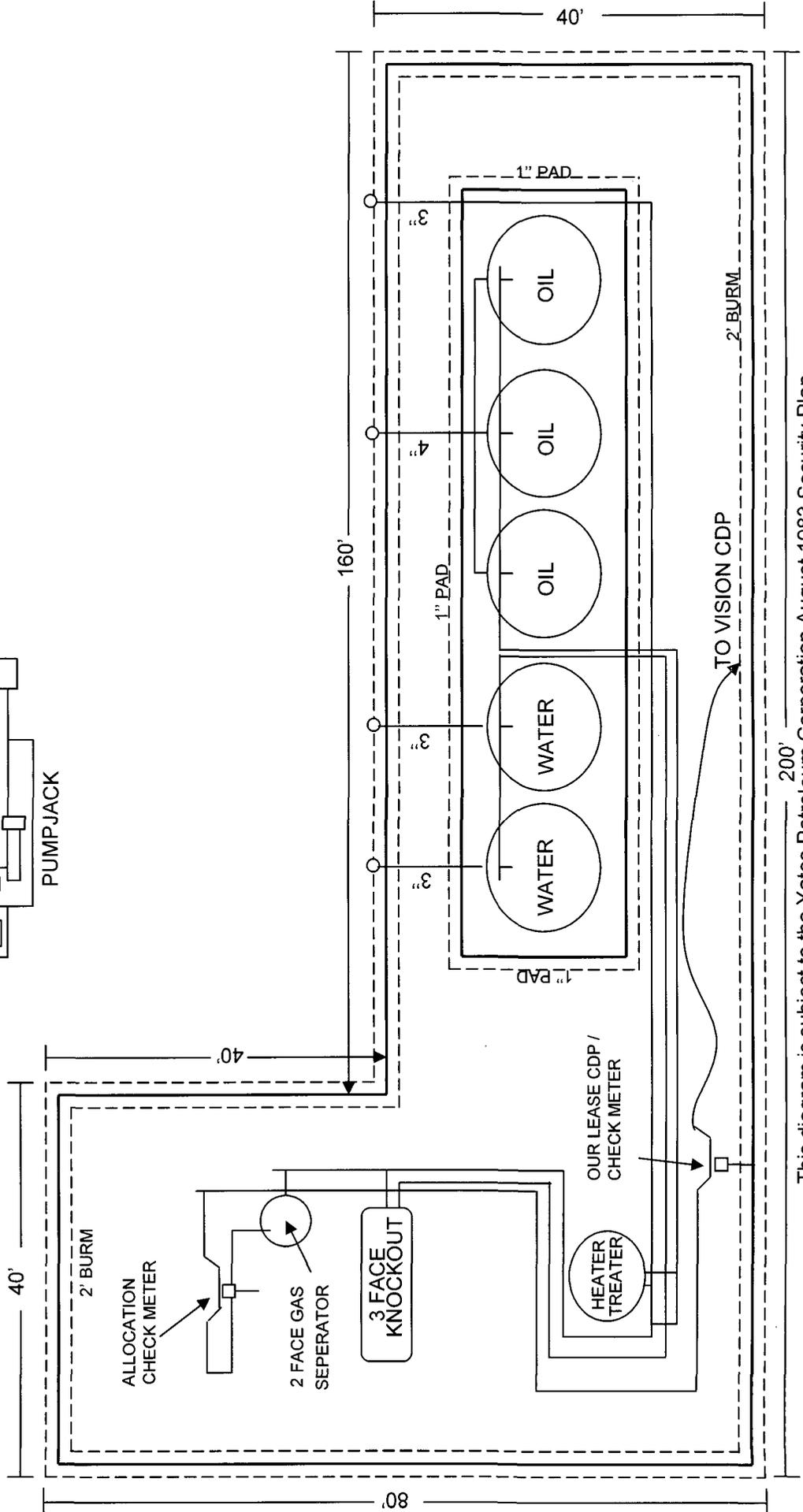
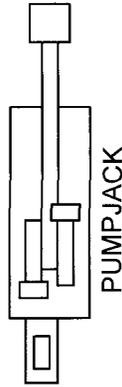
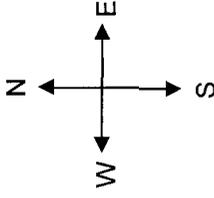


105 South 4th Street * Artesia, NM 88210
 (505)-748-1471

Joe Chavez
 May, 2008

KNOLL AOK FEDERAL #1

1980' FNL & 1980' FEL * Sec 3 - T24S - R29E * Unit G
 Eddy County, NM
 30-015-28127



This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan
 which is on file at 105 South 4th Street, Artesia, NM

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 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

May 19, 2008

Re: Surface Pool/Lease Commingle Gas only
Pierce Crossing/Bone Spring, Nash Draw/Delaware, Cedar Canyon Bone Spring
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval to Surface Pool / Lease Commingle Gas Only the following wells.

Federal	Federal
Juniper BIP Federal #5	Knoll AOK Federal #1
Nash Draw/Delaware	Cedar Canyon / Bone Springs
Pierce Crossing/Bone Springs	
Eddy County, NM	Eddy County, NM
Federal Lease # NM-99034	Federal Lease # NM-85891
API# 30-015-28577	API# 30-015-28127

The production from the Juniper BIP Federal #5 and the Knoll AOK Federal #1 is measured on lease and the sales point at a meter located on the Vision Energy Company Location.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The purpose of the Commingling, 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 built 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.

Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: Yates Drilling Company

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 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

May 19, 2008

Re: Surface Pool/Lease Commingle Gas only
Pierce Crossing/Bone Spring, Nash Draw/Delaware, Cedar Canyon Bone Spring
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval to Surface Pool / Lease Commingle Gas Only the following wells.

Federal	Federal
Juniper BIP Federal #5	Knoll AOK Federal #1
Nash Draw/Delaware	Cedar Canyon / Bone Springs
Pierce Crossing/Bone Springs	
Eddy County, NM	Eddy County, NM
Federal Lease # NM-99034	Federal Lease # NM-85891
API# 30-015-28577	API# 30-015-28127

The production from the Juniper BIP Federal #5 and the Knoll AOK Federal #1 is measured on lease and the sales point at a meter located on the Vision Energy Company Location.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The purpose of the Commingling, 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.

Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: ABO Petroleum Corporation

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 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

May 19, 2008

Re: Surface Pool/Lease Commingle Gas only
Pierce Crossing/Bone Spring, Nash Draw/Delaware, Cedar Canyon Bone Spring
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval to Surface Pool / Lease Commingle Gas Only the following wells.

Federal	Federal
Juniper BIP Federal #5	Knoll AOK Federal #1
Nash Draw/Delaware	Cedar Canyon / Bone Springs
Pierce Crossing/Bone Springs	
Eddy County, NM	Eddy County, NM
Federal Lease # NM-99034	Federal Lease # NM-85891
API# 30-015-28577	API# 30-015-28127

The production from the Juniper BIP Federal #5 and the Knoll AOK Federal #1 is measured on lease and the sales point at a meter located on the Vision Energy Company Location.

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

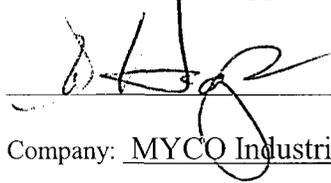
Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

If you should have any questions, please give me a call at (505) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application



Company: MYCO Industries Inc.

Geol. Tops per /BGA

- TX-650
- BX-2805
- Delaware - 3012
Lm
- Bell Canyon - 3050
- Cherry Canyon - 3945
- Brushy Canyon - 5211
- Bone Spring - 6758

GENERAL INV
C.P. 44th Fed. #1
U.S. F. S.E. NW