

DATE: 5/19/08	SUBSESS: Ezeanyim	LOGGED IN: 5/20/08	TYPE: CTB	APP NO.: PKVR0814134696
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



6/10

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 ☐ PLC ☐ PC ☐ OLS ☐ OLM

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

- [D] Other: Specify Surface Commingling

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply
[A] ☒ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offser Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☒ Notification and/or Concurrent Approval by BLM or SEO
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	Mate Reyes	PRODUCTION CLERK	5-14-2008
Print or Type Name	Signature	Title	Date
		mayte@ypcnm.com	
		e-mail Address	

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



2008 MAY 19 PM 3:48

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

May 15, 2008

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Re-submit application for Ohkay BHH St #1/Wyatt BHT St. #1 surface commingle.

Dear Sirs,

Please accept this corrected application to replace previously submitted for the above referenced wells. We have corrected the Administrative Application Checklist, sundry, and have attached waivers for in house subsidiaries.

Please let me know if you need any additional information.

Sincerely,

A handwritten signature in cursive script that reads 'Michelle Taylor'.

Michelle Taylor
Yates Petroleum Corporation
575-748-4205

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-34551
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-6711
7. Lease Name or Unit Agreement Name: Ohkay BHH State
8. Well No. 1
9. Pool name or Wildcat Pierce Crossing/Bone Spring, Nash Draw/Delaware

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter D NWNW : 330' feet from the FNL line and 330' feet from the FWL line

Section 6

Township 25S

Range 30E

NMPM

County Eddy

10. Elevation (Show whether DR, RKB, RT, GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Lease Commingle of Oil ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation respectfully request administrative approval for Lease Commingle of Oil.

State

Ohkay BHH State #1
Sec 6-T25S-R30E
Pierce Crossing/Bone Spring
Nash Draw/Delaware
API# 30-015-34551
Eddy County, NM
Lease# VO-6711

State

Wyatt BHT State #1
Sec 6-T25S-R30E
Pierce Crossing/Bone Spring
Nash Draw/Delaware
API# 30-015-34553
Eddy County, NM
Lease# VO-6699

The Battery is located at the Ohkay BHH State #1. Please see attached plat and site facility diagram.

Diversified ownership by percentages. All in house subsidiaries.

Oil will be transported off lease prior to measurement. Oil will be allocated to each well with the use of positive displacement temperature compensated metering equipment.

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 oil production for the Ohkay BHH State #1 is 5 barrels of oil per day and for the Wyatt BHT State #1 is 50 barrels of oil per day.

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.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mayte Reyes TITLE Production Secretary DATE May 14, 2008

Type or print name Mayte Reyes

Telephone No. (505) 748-4213

(This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: YATES PETROLEUM CORPORATION
OPERATOR ADDRESS: 105 SOUTH 4th STREET
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

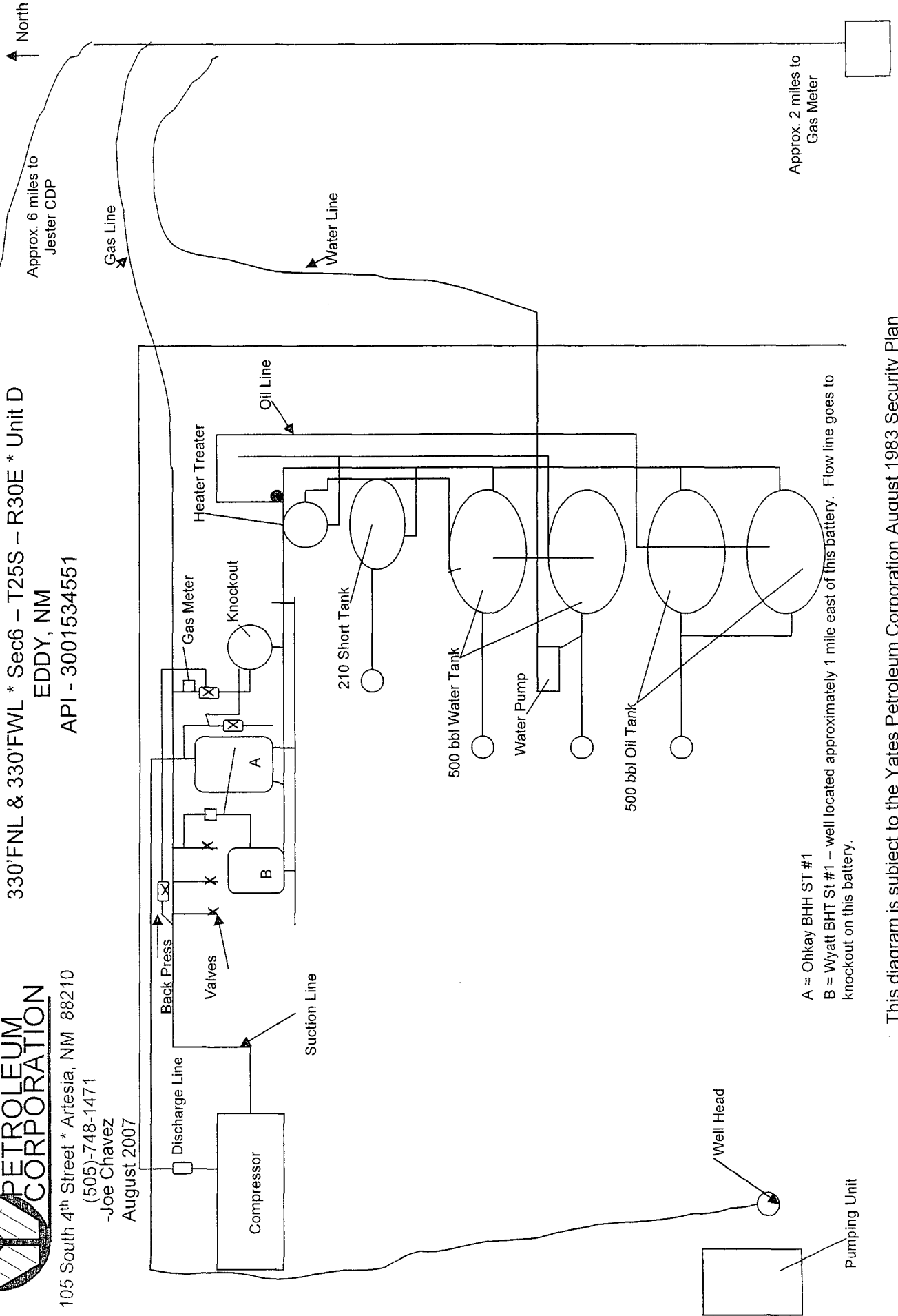
SIGNATURE: Mate Rego TITLE: PRODUCTION CLERK DATE: 5-14-2008



105 South 4th Street * Artesia, NM 88210
 (505)-748-1471
 -Joe Chavez
 August 2007

OHKAY BHH ST #1 Battery

330'FNL & 330'FWL * Sec6 - T25S - R30E * Unit D
 EDDY, NM
 API - 3001534551



A = Ohkay BHH ST #1
 B = Wyatt BHT St #1 - well located approximately 1 mile east of this battery. Flow line goes to knockout on this battery.

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

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 30-015-34553		² Pool Code 47545		³ Pool Name Nash Draw; Delaware	
⁴ Property Code 35385		⁵ Property Name Wyatt BHT State			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3165'GR

¹⁰ Surface Location

UL or lot no. B	Section 6	Township 25S	Range 30E	Lot Idn	Feet from the 330	North/South line North	Feet from the 2310	East/West line East	County Eddy
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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					<p>¹⁷ OPERATOR CERTIFICATION 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.</p> <p><i>Tina Huerta</i> May 14, 2008 Signature Date</p> <p>Tina Huerta Printed Name</p>
					<p>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.</p>
					<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
					<p>Certificate Number</p>

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Form O-100
Plate 31659

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34553	2. Pool Code 96403	3. Pool Name WILDCAT; BONE SPRING
4. Property Code 35385	5. Property Name WYATT BHT STATE	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3165

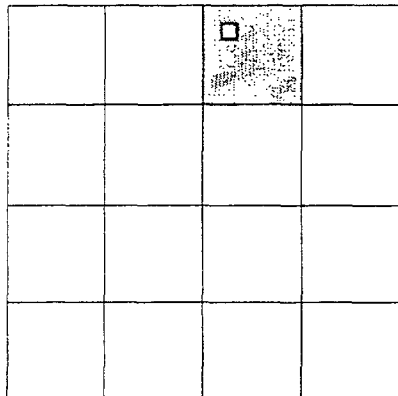
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	6	25S	30E		330	N	2310	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.50		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



OPERATOR CERTIFICATION

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(s) 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.

E-Signed By: Debbie Caffall

Title: Regulatory Agent

Date: 1/19/2006

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.

Surveyed By: Herschel Jones

Date of Survey: 11/9/2005

Certificate Number: 3640

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 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 30-015-34551		² Pool Code 13360	³ Pool Name Corral Canyon; Delaware
⁴ Property Code 35383	⁵ Property Name Ohkay BHH State		⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3,139'

¹⁰ Surface Location

UL or lot no. D	Section 6	Township 25S	Range 30E	Lot Idn	Feet from the 330'	North/South line FNL	Feet from the 330'	East/West line FWL	County 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.
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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.</i>			
	Signature Debbie Chavez Printed Name Engineering Technician Title and E-mail Address 4/18/06 Date			
	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 Ave., 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 and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 21602

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34551	2. Pool Code 96403	3. Pool Name WILDCAT; BONE SPRING
4. Property Code 35383	5. Property Name OHKAY BHH STATE	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3139

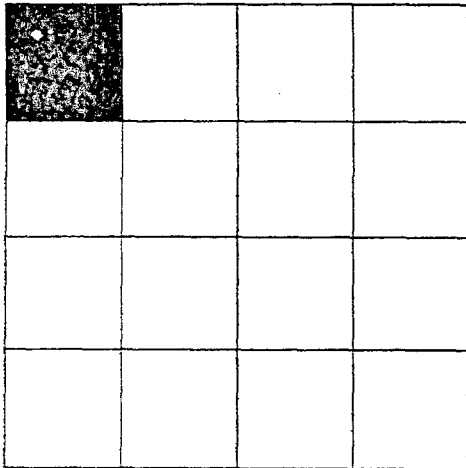
10. Surface Location

UL - Lot 4	Section 6	Township 25S	Range 30E	Lot Idn 4	Feet From 330	N/S Line N	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.17		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

	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(s) 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> E-Signed By: Debbie Caffall Title: Regulatory Agent Date: 1/16/2006	
	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> Surveyed By: Hershel Jones Date of Survey: 11/9/2005 Certificate Number: 3640	

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

May 14, 2008

Re: Lease Commingle of Oil
Pierce Crossing/Bone Spring - Nash Draw/Delaware
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval for Lease Commingle of Oil the following wells:

State	State
Ohkay BHH State #1	Wyatt BHT State #1
Sec 6-T25S-R30E	Sec 6-T25S-R30E
Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring
Nash Draw/Delaware	Nash Draw/Delaware
API# 30-015-34551	API# 30-015-34553
Eddy County, NM	Eddy County, NM
Lease# VO-6711	Lease# VO-6699

The Battery is located at the Ohkay BHH State #1. Please see attached plat and site facility diagram.

Oil will be transported off lease prior to measurement and will be measured by positive displacement, temperature compensated metering equipment. Total sales volumes will be allocated back to individual wells metered volumes.

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.

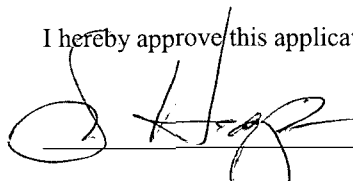
Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

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: MYCO Industries, Inc.

RANDY G. PATTERSON
VICE PRESIDENT

DAVID L. LANNING
ASSISTANT VICE PRESIDENT

DENNIS G. KINSEY
TREASURER

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

May 14, 2008

Re: Lease Commingle of Oil
Pierce Crossing/Bone Spring - Nash Draw/Delaware
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval for Lease Commingle of Oil the following wells:

State

Ohkay BHH State #1
Sec 6-T25S-R30E
Pierce Crossing/Bone Spring
Nash Draw/Delaware
API# 30-015-34551
Eddy County, NM
Lease# VO-6711

State

Wyatt BHT State #1
Sec 6-T25S-R30E
Pierce Crossing/Bone Spring
Nash Draw/Delaware
API# 30-015-34553
Eddy County, NM
Lease# VO-6699

The Battery is located at the Ohkay BHH State #1. Please see attached plat and site facility diagram.

Oil will be transported off lease prior to measurement and will be measured by positive displacement, temperature compensated metering equipment. Total sales volumes will be allocated back to individual wells metered volumes.

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: ABO Petroleum Corporation

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

May 14, 2008

Re: Lease Commingle of Oil
Pierce Crossing/Bone Spring - Nash Draw/Delaware
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval for Lease Commingle of Oil the following wells:

State

Ohkay BHH State #1
Sec 6-T25S-R30E
Pierce Crossing/Bone Spring
Nash Draw/Delaware
API# 30-015-34551
Eddy County, NM
Lease# VO-6711

State

Wyatt BHT State #1
Sec 6-T25S-R30E
Pierce Crossing/Bone Spring
Nash Draw/Delaware
API# 30-015-34553
Eddy County, NM
Lease# VO-6699

The Battery is located at the Ohkay BHH State #1. Please see attached plat and site facility diagram.

Oil will be transported off lease prior to measurement and will be measured by positive displacement, temperature compensated metering equipment. Total sales volumes will be allocated back to individual wells metered volumes.

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: Yates Drilling Company

From: Janet Richardson [janet@ypc.com]
Sent: Thursday, October 18, 2007 2:02 PM
To: 'Mayte Reyes'
Subject: RE: Off Lease Measurement Status

Wyatt BHT State #1 is a state of New Mexico lease owned by YPC 70%; YDC 10%; Myco 10% and Abo 10%. Thanks, Janet

STATUS

NEW

STATUS CONTINUED

=====

CO - Company Pay Code
CP - Company Purchased Production
CT - Company Tax Partnership Interest
GC - City Government Interest
GI - Federal Government Interest
GS - State Government Interest
GW - Wyoming State Government Interest

=====

NP - Paid Direct
PA - Pay
SA - Unknown Address
SD - Suspense - Waiting on Division Order
SJ - Suspense - Delinquent JIB
ST - Suspense - Title Requirement

YATES PETROLEUM CORPORATION

Division of Interest
Effective: First Sales

Property: 043533
Well: 001

PROPERTY: Ohkay "BHH" St. #1
NW/4NW/4 Sec. 6, T25S-R30E, NMPM
Eddy County, New Mexico

File No. 402-7039-B

OWNER NUMBER	OWNER NAME	NET REVENUE INTEREST	TYPE	STATUS
192200	COMMISSIONER OF PUBLIC LANDS	0.1666667	RI	
999900	YATES PETROLEUM CORPORATION	0.0225000 0.3333333	ORI WI	
994100	YATES DRILLING COMPANY	0.1591667	WI	
005000	ABO PETROLEUM CORPORATION	0.1591666	WI	
640010	MYCO INDUSTRIES, INC.	0.1591667 <u>1.0000000</u>	WI	