

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 ☒ 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] ☒ 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 SLO
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 *Mayte Reyes* PRODUCTION CLERK 6-2008
Print or Type Name Signature Title Date

mayte@ypcnm.com
e-mail Address

PLC - 312

RECEIVED
2008 JUN 25 PM 1 42

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
_____, 200-

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 Commingling)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Has the Comm. of Public Lands (BLM) and State Land office (SLO) consented in writing to 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	Value of Non- Commingled Production	Calculated Value of Commingled Production	Volumes
WILCAT MISSISSIPPIAN GAS	1000 BTU	1000 BTU			
COTTONWOOD SEM-GE MORROW	1000 BTU				

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Are all working, royalty and overriding royalty interests common between pools? ☐ Yes ☒ No

(4) Include proof of notice to all interests if the answer to No. 3 is "No".

(5) Measurement type: ☒ Metering ☐ Well Test ☐ Subtraction Method

(6) 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) Are all working, royalty and overriding royalty interests common between leases? ☐ Yes ☒ No

(4) Include proof of notice to all interests if the answer to No. 3 is "No".

(5) Measurement type: ☒ Metering ☐ Well Test ☐ Subtraction Method (only when No. 3 is "Yes")

(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.

(4) If production is to be measured by well test, include testing frequency.

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

SIGNATURE: Mayte Reyes

TITLE: PRODUCTION CLERK

DATE: 6-20-08

TYPE OR PRINT NAME: MAYTE REYES

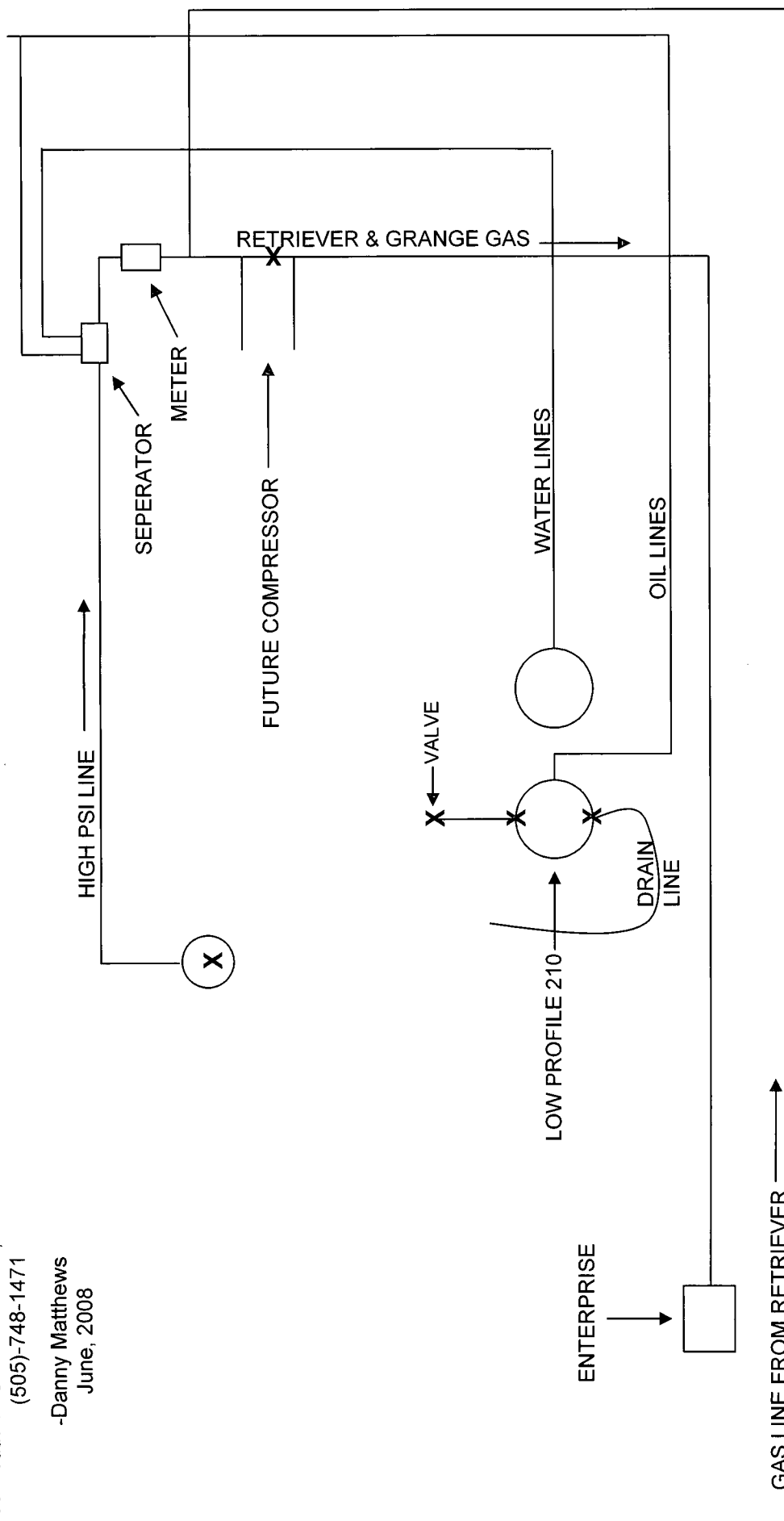
TELEPHONE NO. (575) 748-4213



660' FSL & 990' FEL * Sec 29 – T25S – R25E * Unit P
Eddy County, New Mexico

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

-Danny Matthews
June, 2008



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

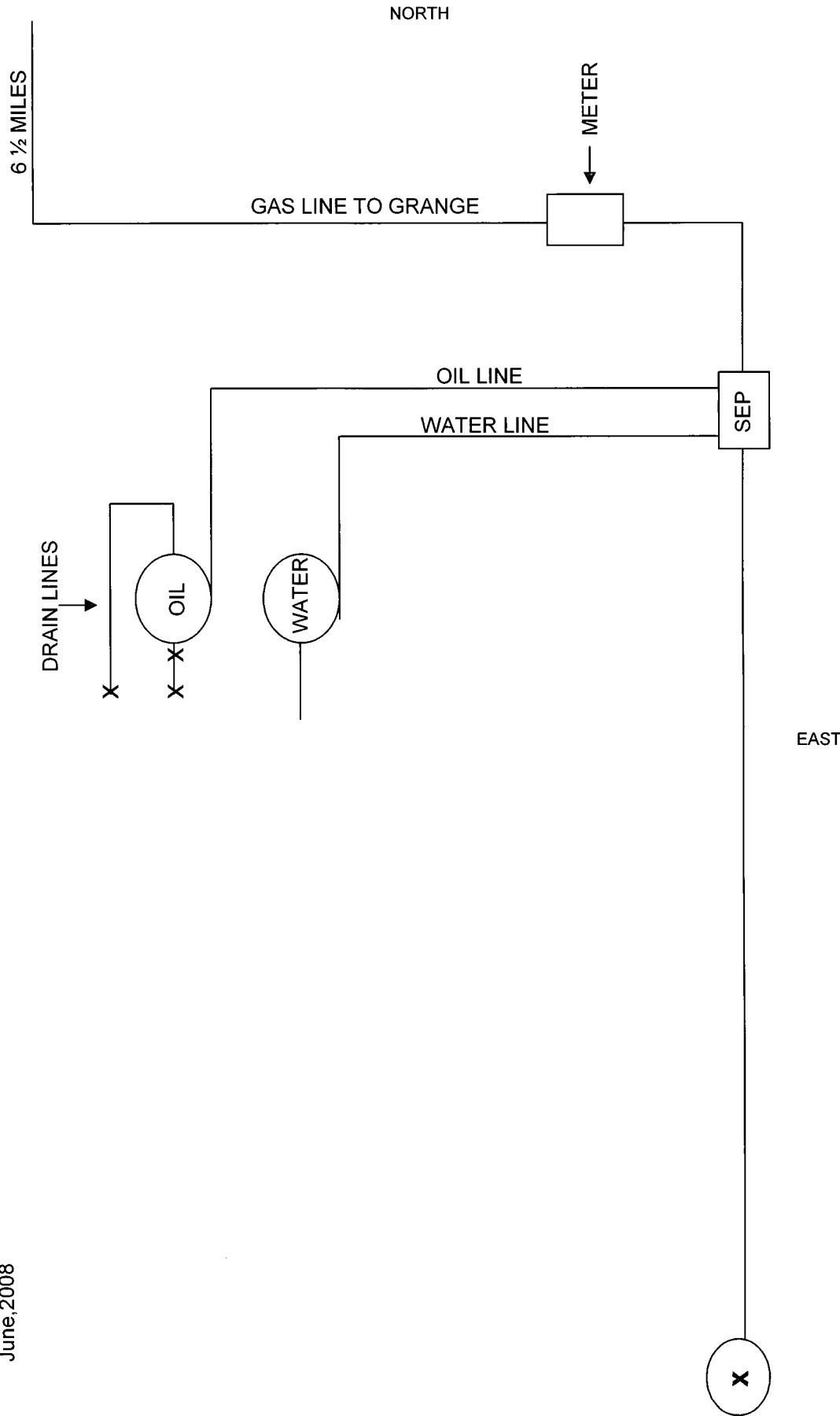


105 South 4th Street * Artesia, NM 88210
(505)-748-1471

-Danny Matthews
June, 2008

RETRIEVER BJH FED #1

1650' FNL & 1650' FWL * Sec 22 - T26S - R25E * Unit F ✓
Eddy County, New Mexico



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 Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORTMonth - Year
MAR 28 2007
OCD - ARTESIA, N.M.

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 - 015 - 20889	² Pool Code 97338	³ Pool Name Wildcat, MISS GAS
⁴ Property Code	⁵ Property Name Retriever "BJH" Federal	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3637

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	22	26 S	25 E		1650	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 320 N/2	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 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 leased 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. Signature: <u>Debbie L. Caffall</u> Date: <u>3/27/2007</u> Debbie L. Caffall, Regulatory Agent Printed Name:
	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: Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT 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 and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505Form 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

API Number	Pool Code	Pool Name Wildcat Morrow
Property Code	Property Name GRANGE BH FEDERAL	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3632

Surface Location

UL or lot No. P	Section 29	Township 25S	Range 25E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 990	East/West line EAST	County EDDY
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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
Dedicated Acres 320	Joint or Infill	Consolidation Code	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 pro

or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Cy Cowan 1/30/07
Signature Date

Cy Cowan
Printed Name

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.

1/29/2007

Date Surveyed

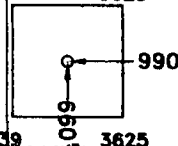
Signature & Seal of Professional Surveyor

HERSCHELL L. JONES
NEW MEXICO
3640
Certificate No. Herschell L. Jones 3640
GENERAL SURVEYING
PROFESSIONAL LAND SURVEYOR

NM-98801

N.32°05'42.9"
W.104°24'44.3"
N.398411.9
E.516811.0
(NAD-83)

3633 3625



3639 3625

WELD75

Revenue Division Order Inquiry

6/20/08
15:22:13

Property : 046342 001 RETRIEVER BJH FEDERAL #1
 Deck : M1 EST. INTERESTS FOR RESERVES
 Effective month/year : 07 / 2006
 Inflation factor : .00000000

Owner#	Sq	Burden	Owner Name	Inter Co#	Interest	Int Type	Py St	WP Ct	Ex Cl	Py Ot	Rt Cd
005000	01	000000	ABO PETROLEUM CORPOR		.16500000	01 WOR CO					
797400	00	000000	SHARBRO OIL LTD. CO.		.16500000	01 WOR CO					
994100	01	000000	YATES DRILLING COMPA		.16500000	01 WOR CO					
999900	01	000000	YATES PETROLEUM CORP		.33000000	01 WOR CO					
999980	01	000000	BALANCING OWNER		.17500000	09 BAL NP					

Bottom

Total Yates: .82500000 1.00000000

F3=Exit F10=Sort by type F12=Previous F22=Summarize F24=By Burden
 F9=Fold/Unfold

WELD75

Revenue Division Order Inquiry

6/20/08
15:23:27

Property : 027748 001 GRANGE BII FEDERAL #1
 Deck : M1 ESTIMATE FOR RESERVES
 Effective month/year : 10 / 2007
 Inflation factor : .00000000

Owner#	Sq	Burden	Owner Name	Inter Co#	Interest	Int Type	Py St	WP Ct	Ex Cl	Py Ot	Rt Cd
005000	00	005000	ABO PETROLEUM CORPOR		.16500000	01 WOR	PA				
640010	00	640010	MYCO INDUSTRIES, INC		.16500000	01 WOR	PA				
994100	00	994100	YATES DRILLING COMPA		.16500000	01 WOR	PA				
999900	00	999900	YATES PETROLEUM CORP		.33000000	01 WOR	CO				
999980	00	999980	BALANCING OWNER		.17500000	01 WOR	NP				

Bottom

Total Yates: .82500000 1.00000000

F3=Exit F10=Sort by type F12=Previous F22=Summarize F24=By Burden
 F9=Fold/Unfold

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

June 20, 2008

Re: Surface Pool/Lease Commingle Gas only
Wildcat / Mississippian Gas - Cottonwood Springs Morrow
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

Retriever BJH Federal #1
Wildcat / Mississippian Gas
Eddy County, NM
Federal Lease # NM-113930
API# 30-015-20869

Federal

Grange BII Federal #1
Cottonwood Springs Morrow
Eddy County, NM
Federal Lease # NM-98801
API# 30-015-35802

The CDP is located Grange BII Federal #1.

Each wells gas volume will be measured by EFM'S or continuously recording dry flow charts. Production/sales will be allocated back to each well from the CDP located at the Grange BII Federal #1.

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 (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

June 20, 2008

Re: Surface Pool/Lease Commingle Gas only
Wildcat / Mississippian Gas - Cottonwood Springs Morrow
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
Retriever BJH Federal #1	Grange BII Federal #1
Wildcat / Mississippian Gas	Cottonwood Springs Morrow
Eddy County, NM	Eddy County, NM
Federal Lease # NM-113930	Federal Lease # NM-98801
API# 30-015-20869	API# 30-015-35802

The CDP is located Grange BII Federal #1.

Each wells gas volume will be measured by EFM'S or continuously recording dry flow charts. Production/sales will be allocated back to each well from the CDP located at the Grange BII Federal #1.

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: Sharbro Oil Ltd. Co.

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

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JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

June 20, 2008

Re: Surface Pool/Lease Commingle Gas only
Wildcat / Mississippian Gas - Cottonwood Springs Morrow
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

Retriever BJH Federal #1
Wildcat / Mississippian Gas
Eddy County, NM
Federal Lease # NM-113930
API# 30-015-20869

Federal

Grange BII Federal #1
Cottonwood Springs Morrow
Eddy County, NM
Federal Lease # NM-98801
API# 30-015-35802

The CDP is located Grange BII Federal #1.

Each wells gas volume will be measured by EFM'S or continuously recording dry flow charts. Production/sales will be allocated back to each well from the CDP located at the Grange BII Federal #1.

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.

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

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CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

FRANK YATES, JR.
PRESIDENT

PEYTON YATES
DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

June 20, 2008

Re: Surface Pool/Lease Commingle Gas only
Wildcat / Mississippian Gas - Cottonwood Springs Morrow
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

Retriever BJH Federal #1
Wildcat / Mississippian Gas
Eddy County, NM
Federal Lease # NM-113930
API# 30-015-20869

Federal

Grange BII Federal #1
Cottonwood Springs Morrow
Eddy County, NM
Federal Lease # NM-98801
API# 30-015-35802

The CDP is located Grange BII Federal #1.

Each wells gas volume will be measured by EFM'S or continuously recording dry flow charts. Production/sales will be allocated back to each well from the CDP located at the Grange BII Federal #1.

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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)
1650' FNL & 1650' FWL Section 22-T26S-R25E (Unit F, SENW)

5. Lease Designation and Serial No.
NM-113930

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Retriever BJH Federal #1

9. API Well No.
30-015-20869

10. Field and Pool, or Exploratory Area
Wildcat Mississippian Gas

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.

Federal Retriever BJH Federal #1 Wildcat / Mississippian Gas Eddy County, NM Federal Lease # NM-113930 API# 30-015-20869	Federal Grange BII Federal #1 Cottonwood Springs Morrow Eddy County, NM Federal Lease # NM-98801 API# 30-015-35802
--	--

The CDP is located Grange BII Federal #1. Please see attached plat and site facility diagram.

Working interest owners are diversified and have been notified.

Each wells gas volume will be measured by EFM'S or continuously recording dry flow charts. Production/sales will be allocated back to each well from the CDP located at the Grange BII Fed. #1.

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 Retriever BJH Federal #1 - Wildcat / Mississippian Gas is 200 mcfpd and for the Grange BII Federal #1 - Cottonwood Springs Morrow is 900 mcfpd.

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)

Title Production Secretary

Date June 20, 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.