

MARTIN YATES, III
1912-1985

FRANK W. YATES
1986-1986

B.P. YATES
1914-2008



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CHIEF ADMINISTRATIVE OFFICER

API # 30-015-40122

August 20, 2012

Mr. Randy Dade
New Mexico Oil Conservation Division - Artesia
811 S. First Street
Artesia, New Mexico 88210

RE: Eddie NE #1 – Unit C Sec. 33-T18S-R26E
Bryan ME #1 – Unit F Sec. 33-T18S-R26E
Eddy County < New Mexico

Dear Mr. Dade:

Yates Petroleum Corporation is the operator of the Eddie NE #1 well and the Bryan ME #1 well as described above and located in the E/2NW/4 of Section 33, Township 18 South, Range 26 East, Eddy County, New Mexico. As we understand it, COG Operating LLC recently filed an Application for Permit to Drill (APD) for the Tarpen 33-3H well and this APD was rejected because the bottom hole location is the same spacing as our Eddie NE #1 well and the Tarpen 33-3H horizontal wellbore will pass through the spacing unit for the Bryan ME #1 well.

Yates Petroleum Corporation does not oppose the APD from COG Operating LLC for the drilling of the Tarpen 33-3H well and its bottom-hole location. Please let us know if you need any more information in order to get the above mentioned APD approved for COG Operating, LLC.

Your assistance in the matter is appreciated. If you have any questions, please call Chuck Moran at (575) 748-4349.

Very truly yours,

YATES PETROLEUM CORPORATION

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

John A. Yates, Jr.
CC: Stuart A. Dirks – COG

Well File: Eddie NE #1 - 403-108
Well File: Bryan ME #1 – 403-108-M

KATHY H. PORTER
SECRETARY

DENNIS B. KINSEY
TREASURER