

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S. P. YATES
1914-2008



RECEIVED

2012 MAR -6 P 12: 46

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

JOHN A. YATES
CHAIRMAN OF THE BOARD

JOHN A. YATES JR.
PRESIDENT

SCOTT M. YATES
VICE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

JORGE S. MENDOZA
CHIEF ADMINISTRATIVE OFFICER

March 5, 2012

Certified Mail / Return Receipt

Mr. Daniel Sanchez
EMNRD – Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Agreed Compliance Order ACO 235-A

Mr. Daniel Sanchez:

As a follow up to our phone conversation in February concerning the above agreed compliance order, listed below the wells for which Yates Petroleum Corporation has acted on in compliance with the captioned Agreed Compliance Order. The engineers report these wells which have been recompleted, plugged or in the process of being recompleted as of February 1, 2012:

Well Name	API #	Description of Work
NDDUP #98	3001526976	Well has been plugged.
NDDUP #21	3001528542	Well has been recompleted to the Yeso
NDDUP #43	3001528541	Well has been plugged back to the Yeso and is waiting on a drilling rig to drill a horizontal well in Yeso section.
NDDUP #69H	3001528405	Yeso recompletion in progress
NDDUP #76	3001526948	Yeso recompletion in progress
NDDUP #92	3001528397	Yeso recompletion in progress
NDDUP #117	3001528150	Yeso recompletion in progress

At this time we respectfully request an extension of the ACO-235.

Very truly yours,

YATES PETROLEUM CORPORATION.

Chuck Moran
Chief Landman

CC: Pinson McWhorter- YPC
Michelle Taylor- YPC
Mike Hill- YPC
Jim Pringle - YPC