

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

NMOCD – ACOI-235 C

IN THE MATTER OF YATES PETROLEUM CORPORATION,

Respondent.

**THIRD AMENDMENT TO
INACTIVE WELL
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraph 1.E of Inactive Well Agreed Compliance Order 235, the Director of the Oil Conservation Division (OCD), by and through her Compliance and Enforcement Manager, hereby amends Order 235 as follows:

FINDINGS

1. Yates Petroleum Corporation (“Yates”) has submitted a timely and complete report to the OCD’s Compliance and Enforcement Manager, and has plugged 53 wells and is in the process of evaluating the wells identified on Exhibit A of Inactive Wells Agreed Compliance Order 235 Amendment C (ACOI 235-C).
2. ACOI 235 provides that if Yates begins recompletion work or plugging operations on at least 7 of the wells by September 1, 2012, verified by the Compliance and Enforcement Manager’s review of Yates’s report, the OCD shall issue a third amendment to ACOI 235.
3. Yates filed a timely and complete report, verified by OCD that the following wells have either been re-completed or are in the process of recompletion:
 - a. NDDUP # 20 30-015-28738
 - b. NDDUP # 23 30-015-28424
 - c. NDDUP # 45H 30-015-28404
 - d. NDDUP #118 30-015-28003
 - e. NDDIP #6 30-015-27047
 - f. NDDUP #7 30-015-27165
 - g. NDDUP #27 30-015-27417
 - h. NDDUP #37 30-015-26570
 - i. NDDUP #40 30-015-27631
 - j. NDDUP #43 30-015-28541
 - k. NDDUP #44 30-015-28557
 - l. NDDUP #46 30-015-28501

- m. NDDUP #52 30-015-25903
- n. NDDUP #57 30-015-26635
- o. NDDUP #66H 30-015-28410
- p. NDDUP #81 30-015-26662
- q. NDDUP #90 30-015-28409
- r. NDDUP #106 30-015-27179
- s. NDDUP #111 30-015-28669

CONCLUSIONS

1. Yates has begun recompletion work on at least 7 wells.

ORDER

1. Yates shall submit a written report to the OCD's Compliance and Enforcement Manager, by **March 1, 2013**, describing the results of its evaluation of the remaining wells, and proposing a plan for returning those wells to compliance, with a timeline for achieving compliance.
2. The OCD shall remove the wells identified on Exhibit A of ACOI 235 until April 1, 2013.
3. The terms of ACOI 235 as amended by ACOI 235-C otherwise remain in effect and are extended through March 1, 2013.

Done at Santa Fe, New Mexico this 7th day of Sept., 2012

By: 
Daniel Sanchez
Compliance and Enforcement Manager
Oil Conservation Division

ACCEPTANCE

YATES PETROLEUM CORPORATION hereby accepts the foregoing Order, and agrees to all of the terms and provisions set forth in that Order.

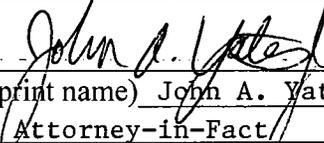
By: 
(Please print name) John A. Yates, Jr. *ckr*
Title: Attorney-in-Fact
Date: 8/31/2012

Exhibit A

Current Well Name	No.	Former Well Name	SEC	LOC	API #	Producing	AFE #	Status
NDDUP Unit	6	Julie Com #2	17	NE/4	30-015-27047	N	10-277-0	Inactive
NDDUP Unit	27	Barbara 17 SW Com #17	17	SW/4	30-015-27417	N	10-298-0	Inactive
NDDUP Unit	37	Barbara 17 SW Com #10	17	SW/4	30-015-26570	N	10-307-0	Inactive
NDDUP Unit	40	Barbara 17 SE Com #18	17	SE/4	30-015-27631	N	10-301-0	Inactive
NDDUP Unit	43	Boyd X St Com #10	16	SE/4	30-015-28541	N	10-275-0	Inactive
NDDUP Unit	44	Boyd X State Com #11	16	SE/4	30-015-28557		12-112-0	Inactive
NDDUP Unit	46	Ross EG Fed Com #14	21	NE/4	30-015-28501		12-108-0	Inactive
NDDUP Unit	52	Ross EG Fed #3	20	NW/4	30-015-25903	N	10-306-0	Inactive
NDDUP Unit	66H	Patriot AIZ #11-H	21	NW/4	30-015-28410	N	12-172-0	Inactive
NDDUP Unit	111	Binger AKU #2	29	NE/4	30-015-28669	N	09-388-0	Inactive
NDDUP Unit	41	Amole AMM State Com #1	16	SW/4	30-015-27314	N		Inactive
NDDUP Unit	61	Ross EG Fed #4	20	NW/4	30-015-26770	N		Inactive
NDDUP Unit	97	Binger AKU #4H	29	NE/4	30-015-30881	N		Inactive
NDDUP Unit	119	State K #3H	28	SW/4	30-015-28053	N		Inactive
NDDUP Unit	123	Boyd X State Com #4	29	SW/4	30-015-27355	N		Inactive
NDDUP Unit	129	Pincushion AHN #1	30	SW/4	30-015-26364	N		Inactive
NDDUP Unit	134	Aspden AOH Fed Com #2	29	SW/4	30-015-28346	N		Inactive