

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 SEC  
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  
 Print or Type Name

Mayte Reyes  
 Signature

PRODUCTION CLERK  
 Title

5-14-2008  
 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 black ink 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  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 Revised March 25, 1999

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-015-34551
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Yates Petroleum Corporation		6. State Oil & Gas Lease No. VO-6711
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210		7. Lease Name or Unit Agreement Name: Ohkay BHH State
4. Well Location  Unit Letter <u>D</u> <u>NWNW</u> <u>:</u> <u>330'</u> <u>feet from the</u> <u>FNL</u> <u>line and</u> <u>330'</u> <u>feet from the</u> <u>FWL</u> <u>line</u>  Section <u>6</u> Township <u>25S</u> Range <u>30E</u> NMPM County <u>Eddy</u>		8. Well No. 1
10. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. Pool name or Wildcat Pierce Crossing/Bone Spring, Nash Draw/Delaware

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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: Lease Commingle of Oil <input checked="" type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
---	--	---	--

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.

<b>State</b> Ohkay BHH State #1 Sec 6-T25S-R30E Pierce Crossing/Bone Spring <b>EAST</b> Nash Draw/Delaware API# 30-015-34551 Eddy County, NM Lease# VO-6711	<b>State</b> Wyatt BHT State #1 Sec 6-T25S-R30E Pierce Crossing/Bone Spring <b>EAST</b> 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 4<sup>th</sup> 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 Reyes TITLE: PRODUCTION CLERK DATE: 5-14-2008

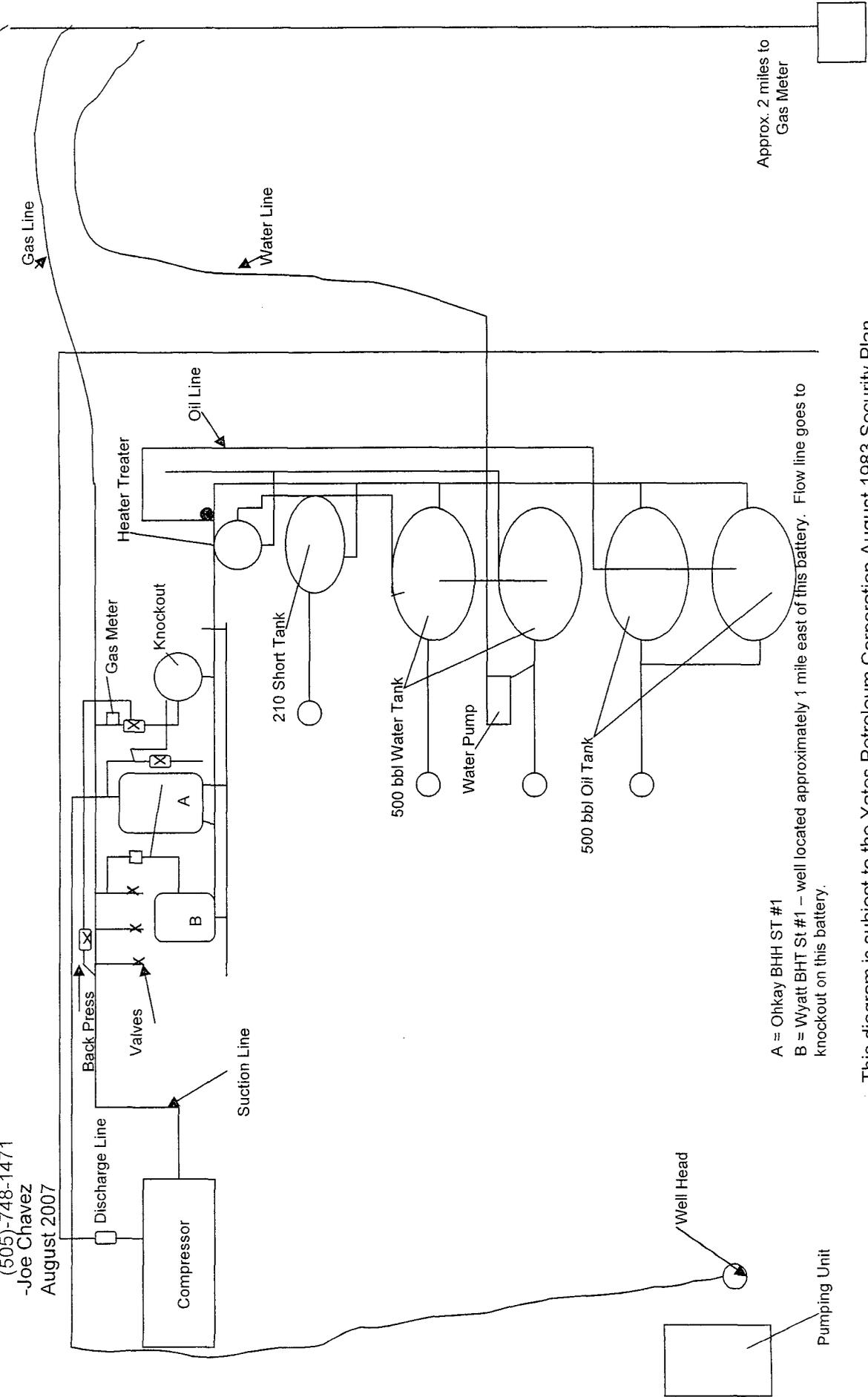


105 South 4th Street \* Artesia, NM 88210  
 (505)-748-1471  
 -Joe Chavez  
 August 2007

# OHKAY BHH ST #1 Battery

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

North  
 ↑  
 Approx. 6 miles to  
 Jester CDP



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

Approx. 2 miles to  
 Gas Meter



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

	<b>OPERATOR CERTIFICATION</b>
	<p><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></p>
	<p>E-Signed By: Debbie Caffall Title: Regulatory Agent Date: 1/19/2006</p>
	<b>SURVEYOR CERTIFICATION</b>
	<p><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></p> <p>Surveyed By: Herschel Jones Date of Survey: 11/9/2005 Certificate Number: 3640</p>

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1501 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

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

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	6	25S	30E		330'	FNL	330'	FWL	Eddy

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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	<sup>17</sup> 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			
	<sup>18</sup> 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**

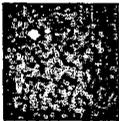
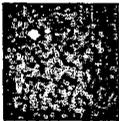
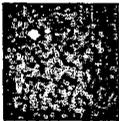
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
4	6	25S	30E	4	330	N	330	W	EDDY

**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 40.17	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**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; height: 100px;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> </tr> <tr> <td style="height: 50px;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="height: 50px;"></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="height: 50px;"></td> <td></td> <td></td> <td></td> </tr> </table>																	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By: Debbie Caffall Title: Regulatory Agent Date: 1/16/2006</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Hershel Jones Date of Survey: 11/9/2005 Certificate Number: 3640</p>
																	

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.

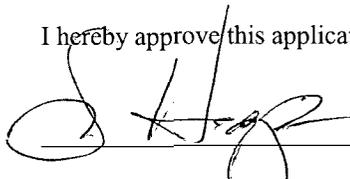
Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

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	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,

A handwritten signature in black ink that reads 'Mayte Reyes'.

Mayte Reyes  
Production Clerk

I hereby approve this application

A handwritten signature in black ink that reads 'Randy G. Patterson'.

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	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: Yates Drilling Company

RANDY G. PATTERSON  
VICE PRESIDENT

DAVID L. LANNING  
ASSISTANT VICE PRESIDENT

DENNIS G. KINSEY  
TREASURER

**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                      Property: 043533  
 Effective: First Sales                      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	