

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

RECEIVED
2008 MAR 20 PM 2 01

[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 3-17-08
Title Date

mayter@ypcnm.com
e-mail Address

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)

630' FSL & 2310' FWL Section 12-T24S-R29E (Unit N, SESW)

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.

11570
Federal Corral Draw AQH Federal #1 Federal Corral Draw AQH Federal #2 Federal Jester BFJ Federal #1 State Ohkay BHH State #1 State Wyatt BHT State #1 State Doc BHU State #1
Sec 13-T24S-R29E EAST Sec 13-T24S-R29E EAST Sec 12-T24S-29E EAST Sec 6-T25S-R30E AVE Sec 6-T25S-R30E EAST Sec 5-T25S-R30E
Pierce Crossing/Bone Spring Pierce Crossing/Bone Spring Pierce Crossing/Bone Spring Nash Draw/Delaware BS Pierce Crossing/Bone Spring Pierce Crossing/Bone Spring EAST
Cedar Canyon/Delaware Eddy County, NM Cedar Canyon/Delaware Eddy County, NM Pierce Crossing/Bone Spring Nash Draw / Dealaware BS Corral Canyon/Delaware
Eddy County, NM Eddy County, NM Eddy County, NM Eddy County, NM Eddy County, NM Eddy County, NM Eddy County, NM
Federal Lease # NM-88136 Federal Lease # NM-88136 Federal Lease #NM-10521 API# 30-015-34551 API# 30-015-34553 API# 30-015-34552
API# 30-015-29396 API# 30-015-34257 API# 30-015-34275 DHC-3697 DHC-3972 DHC-3959
DHC-1696 DHC-3640 DHC-3729 DHC-3697 DHC-3972 DHC-3959
The CDP is located at the Jester BFJ Federal #1. Please see attached plat and site facility diagram.

Diversified ownership by percentages. Owners were notified verbally. All in house subsidiaries.

The production from the Corral Draw AQH Federal #1, Corral AQH Federal #2, Ohkay BHH State #1, Jester BFJ Federal #1, Wyatt BHT State #1, and for the Doc BHU State #1 is measured on lease and the sales point at a meter located on the Jester BFJ Federal #1 630' FSL 2310' FWL Sec 12-T24S-R29E Unit N.

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 Corral Draw AQH Federal #1 is 90 mcf, Corral Draw AQH Federal #2 is 100 mcf, Jester BFJ Federal #1 is 100 mcf, Wyatt BHT State #1 is 400 mcf, Doc BHU State #1 is 400 mcf, and for the Ohkay BHH State #1 is 120 mcf.

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 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.

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 Matt Reese Title Production Secretary

Date March 17, 2008

(This space for Federal or State office use)

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.

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
200-

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

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 ARTESIA NM 88210
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. _____

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
96473 PIERCE CLOSING / BONE SPRING EAST.307	1.129	1.227			18093
NASH CANYON / DELAWARE 47545	1.129	1.129			3303
CEDEAR CANYON / DELAWARE 11540	1.251	1.307			1593
CONARL CANYON / DELAWARE 13360	1.000	1.000			954

- (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: Mark Reese TITLE: PRODUCTION CLERK DATE: 3-17-08
TYPE OR PRINT NAME MARK REESE TELEPHONE NO. (505) 748-4213

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Aramis, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Wildcat		
4 Property Code		5 Property Name CORRAL DRAW AOH FEDERAL			6 Well Number 1	
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 3053.	

10 Surface Location

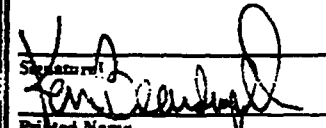
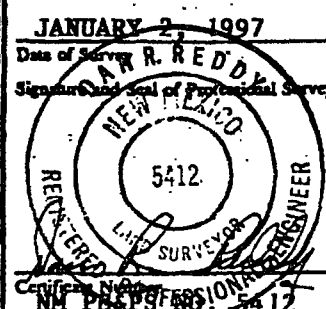
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	13	24-S	29-E		2310	SOUTH	330	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	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

<div>16</div> <div>330' NM-88136</div> <div>2310'</div>					<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div>Signature: </div> <div>Printed Name: Ken Beardemphl</div> <div>Title: Landman</div> <div>Date: January 22, 1997</div>				
					<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>JANUARY 2, 1997</div> <div>Date of Survey: R. REDD</div> <div>Signature and Seal of Professional Surveyor: </div>				

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-29396		2 Pool Code 96473		3 Pool Name Pierre Crossing		4 Well Number Base Spring, East	
5 Property Code		6 Property Name CORRAL DRAW AQH FEDERAL				7 Well Number 1	
8 OGRID No. 025575		9 Operator Name YATES PETROLEUM CORPORATION				10 Elevation 3053.	

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
L	13	24-S	29-E		2310	SOUTH	330	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 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: Printed Name: Ken Beardemphl Title: Landman Date: January 22, 1997
330' NM-88136					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. JANUARY 22, 1997 Date of Survey: R. REDDY Signature and Seal of Professional Surveyor: Certificate Number: NM PS&S No. 5412
2310'					

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

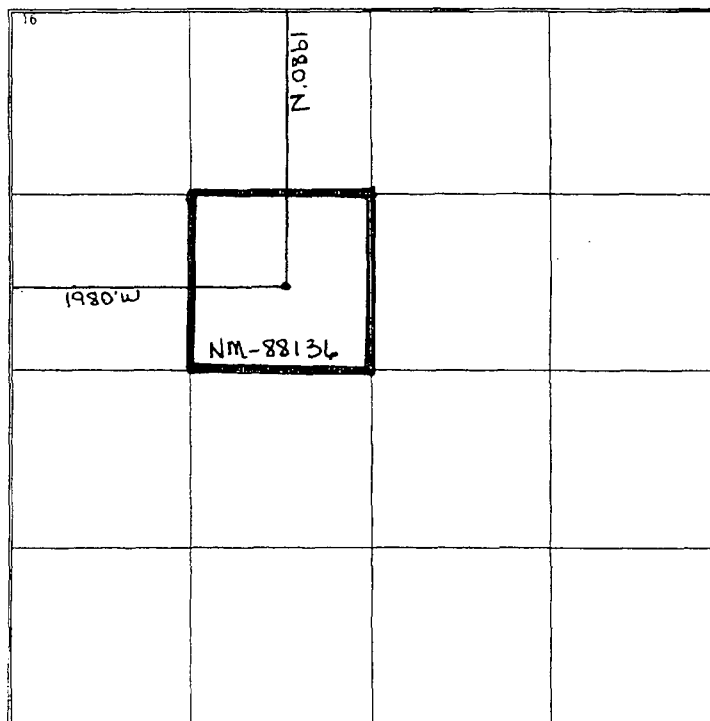
State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34257		² Pool Code		³ Pool Name Wildcat Delaware			
⁴ Property Code 20474		⁵ Property Name Corral Draw AQH Federal			⁶ Well Number 2		
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3073'GR		
¹⁰ Surface Location							
UL or lot no. F	Section 13	Township 24S	Range 29E	Lot Idn 1980	Feet from the North/South line North	Feet from the East/West line West	County 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 40		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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION <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 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> Signature: <u>Tina Huerta</u> Date: <u>July 12, 2006</u> Tina Huerta Printed Name	
	¹⁸ 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	

8/22/06 cs

DISTRICT IV
2046 South Pacheco, Santa Fe, NM 87505

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

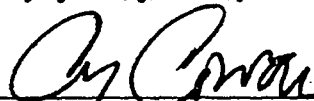
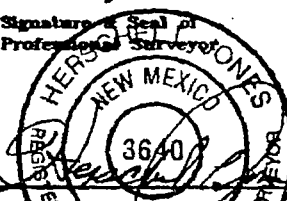
API Number		Pool Code	Pool Name Pierce Crossing Bone Spring <i>EAST</i>
Property Code	Property Name CORRAL DRAW "AOH" FEDERAL		Well Number 2
OGRIID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3073

UL or lot No.	Section	Township	Range	Lot 14th	Feet from the	North/South Line	Feet from the	East/West Line	County
F	13	24S	29E		1980	NORTH	1980	WEST	EDDY

Tr. or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

				<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p> Signature _____ Cy Cowan</p> <p>Printed Name _____ Regulatory Agent</p> <p>Title _____ June 6, 2005</p> <p>Date _____</p>
	<p>N.32°13'09.7" W.103°56'24.8" N.443704.3 E.621724.2 (NAD-27)</p>			<p>SURVEYOR CERTIFICATION</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>Date Surveyed _____ 10/21/2004</p> <p>Date Surveyed _____ Signature & Seal of Professional Surveyor _____</p> <p></p> <p>Certificate No. Herschel L. Jones RLS 3640</p> <p>GENERAL SURVEYING COMPANY</p>

0	330°	660°	990°	1650°	1980°	2310°	2310°	1980°	1650°	990°	660°	330°	0°
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DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2048 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat Bone Spring
Property Code	Property Name JESTER "BFJ" FEDERAL	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3103

Surface Location

UL or lot No. N	Section 12	Township 24S	Range 29E	Lot Idn	Feet from the 630	North/South line SOUTH	Feet from the 2310	East/West line WEST	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
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Dedicated Acres 40	Joint or Infill	Consolidation Code	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

				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Cy Cowan Printed Name Regulatory Agent Title July 13, 2005 Date	
				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. 10/21/2004 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Herschel E. Jones RLS 3640 JESTER 1 GENERAL SURVEYING COMPANY	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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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 District Office
State Lease - 4 Copies
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34275	² Pool Code 11540	³ Pool Name Undesignated Cedar Canyon; Delaware
⁴ Property Code 35031	⁵ Property Name Jester BFJ Federal	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3103'GR

¹⁰ Surface Location

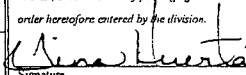
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	24S	29E		630	South	2310	West	Eddy

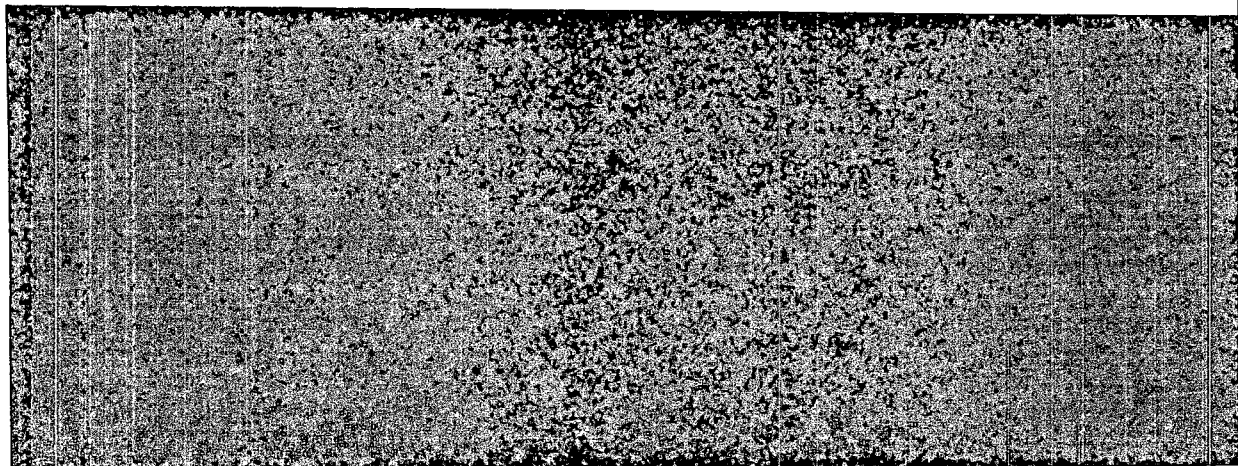
¹¹ Bottom Hole Location If Different From Surface

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 40	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.

¹⁶				¹⁷ OPERATOR CERTIFICATION <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 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>  Signature Date August 10, 2006 Tina Huerta Printed Name
				¹⁸ 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
2310'W	Nm-105213		630'S	



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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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

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

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
D	6	25S	30E		330'	FNL	330'	FWL	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 40	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

¹⁶				¹⁷ 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
				¹⁸ 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 Pierce WILDCAT, BONE SPRING, EAST
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

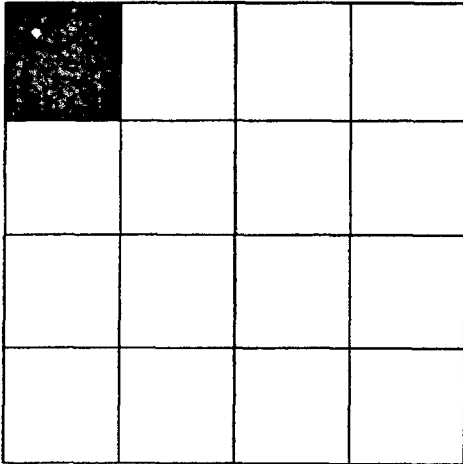
10. Surface Location

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

	OPERATOR CERTIFICATION	
	<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>	
	SURVEYOR CERTIFICATION	
<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>		

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 Brueos 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

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

		<input checked="" type="checkbox"/>	

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 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.

E-Signed By: Debbie Caffall

Title: Regulatory Agent

Date: 1/19/2006

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.

Surveyed By: Herschel Jones

Date of Survey: 11/9/2005

Certificate Number: 3640

District I

1515 S. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

District II

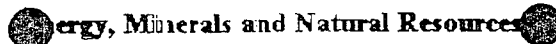
1511 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1293 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Amar, 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****Oil Conservation Division****1220 S. St Francis Dr.****Santa Fe, NM 87505**

Form O-102
Permit 21694

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34552	2. Pool Code 96403	3. Pool Name WILDCAT; BONE SPRING
4. Property Code 35384	5. Property Name DOC BHU STATE	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3223

10. Surface Location

UL - Lot	Section	Township	Range	Lot Km	Feet From	N/S Line	Feet From	E/W Line	County
O	5	25S	30E		330	S	2310	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Km	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	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

	OPERATOR CERTIFICATION	
	<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: 1/18/2006</p>	
	SURVEYOR CERTIFICATION	
	<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: 11/3/2005 Certificate Number: 3640</p>	



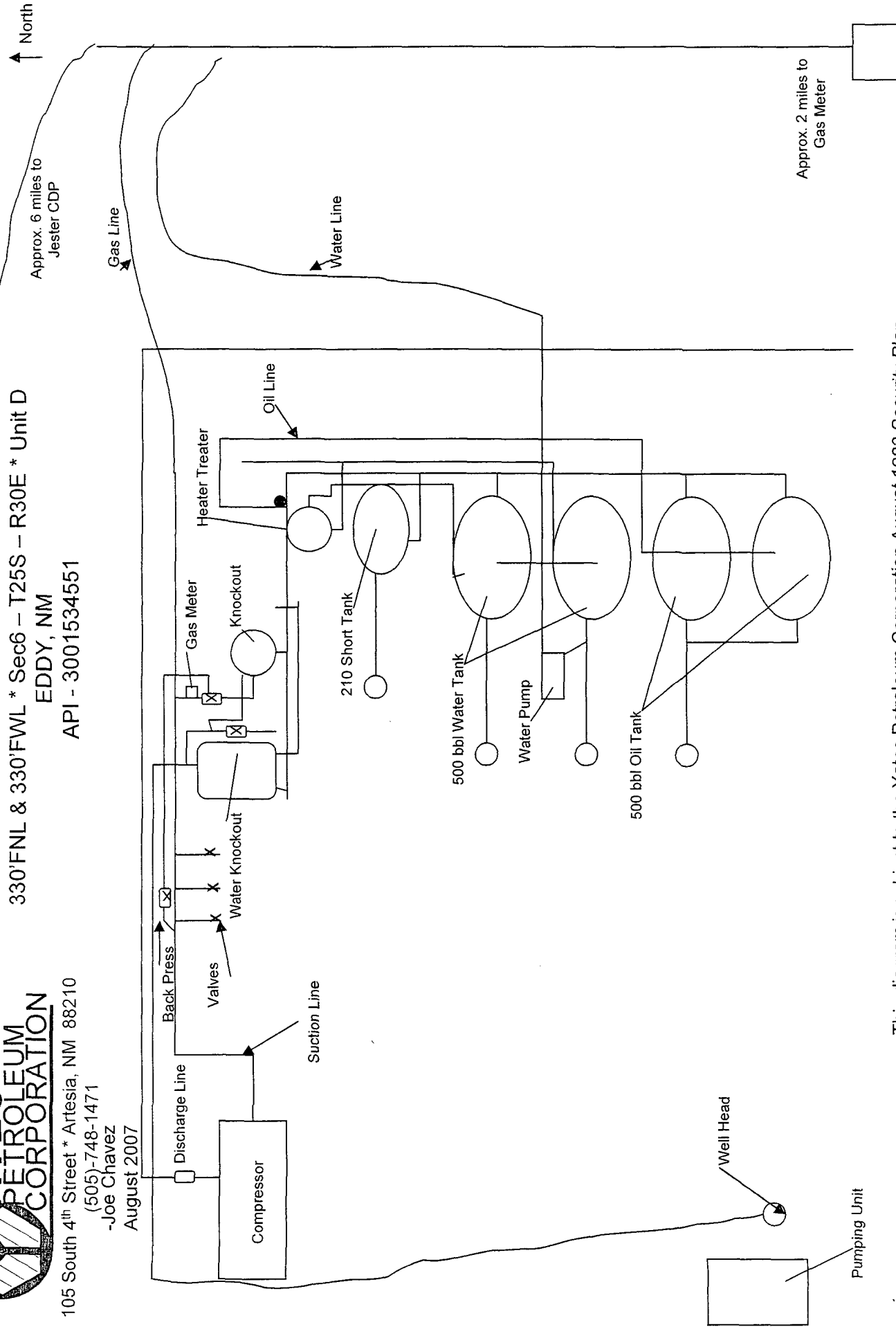
EDDY, NM

API - 3001534551

(505)-748-1471

-Joe Chavez

August 2007



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

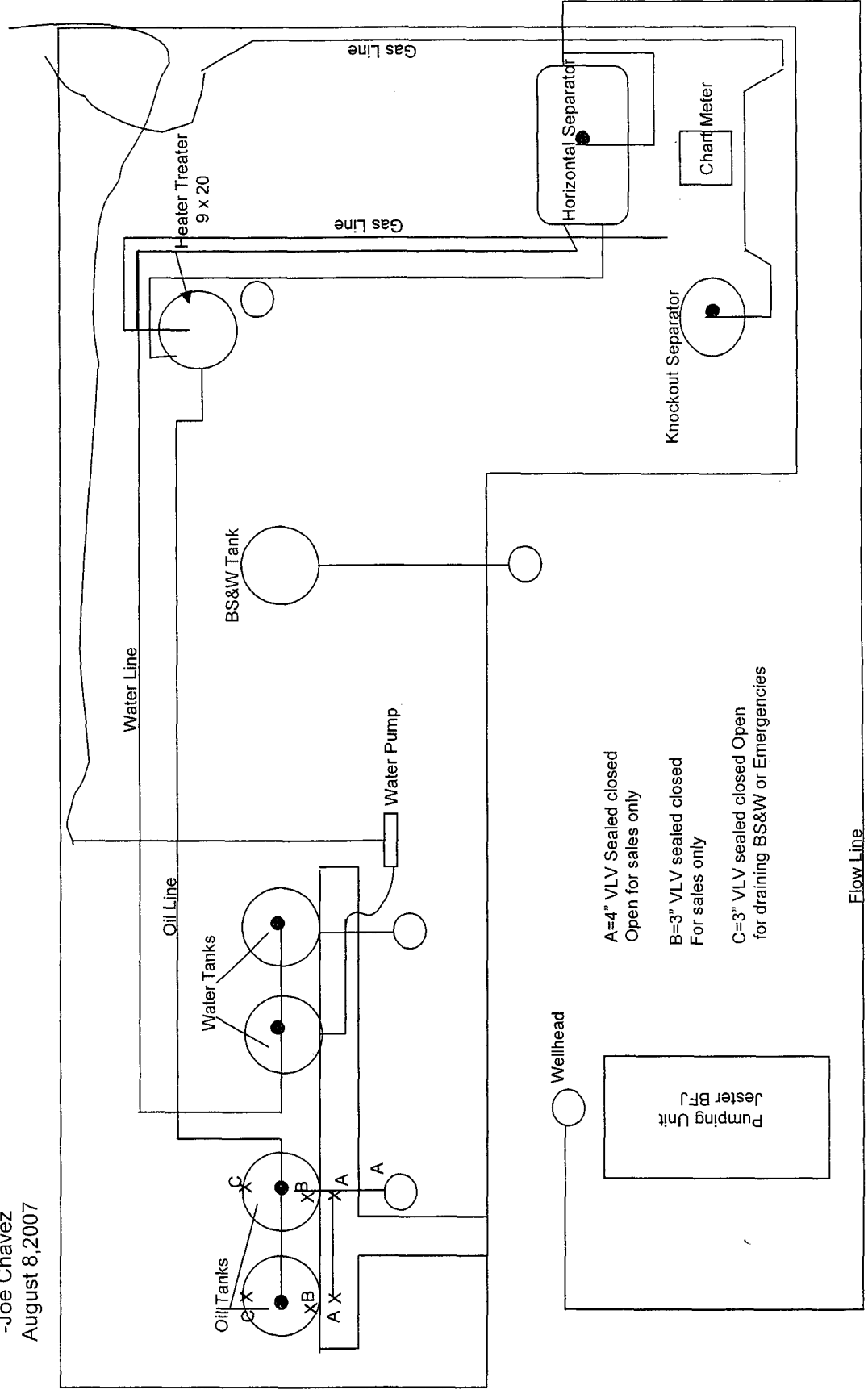
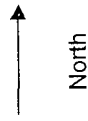


105 South 4th Street * Artesia, NM 88210
(505)-748-1471

JESTER BFJ FEDERAL #1

630'FSL & 2310' FWL * Sec12 - T24S - R29E * Unit N
EDDY, NM
API - 3001534275

-Joe Chavez
August 8, 2007



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

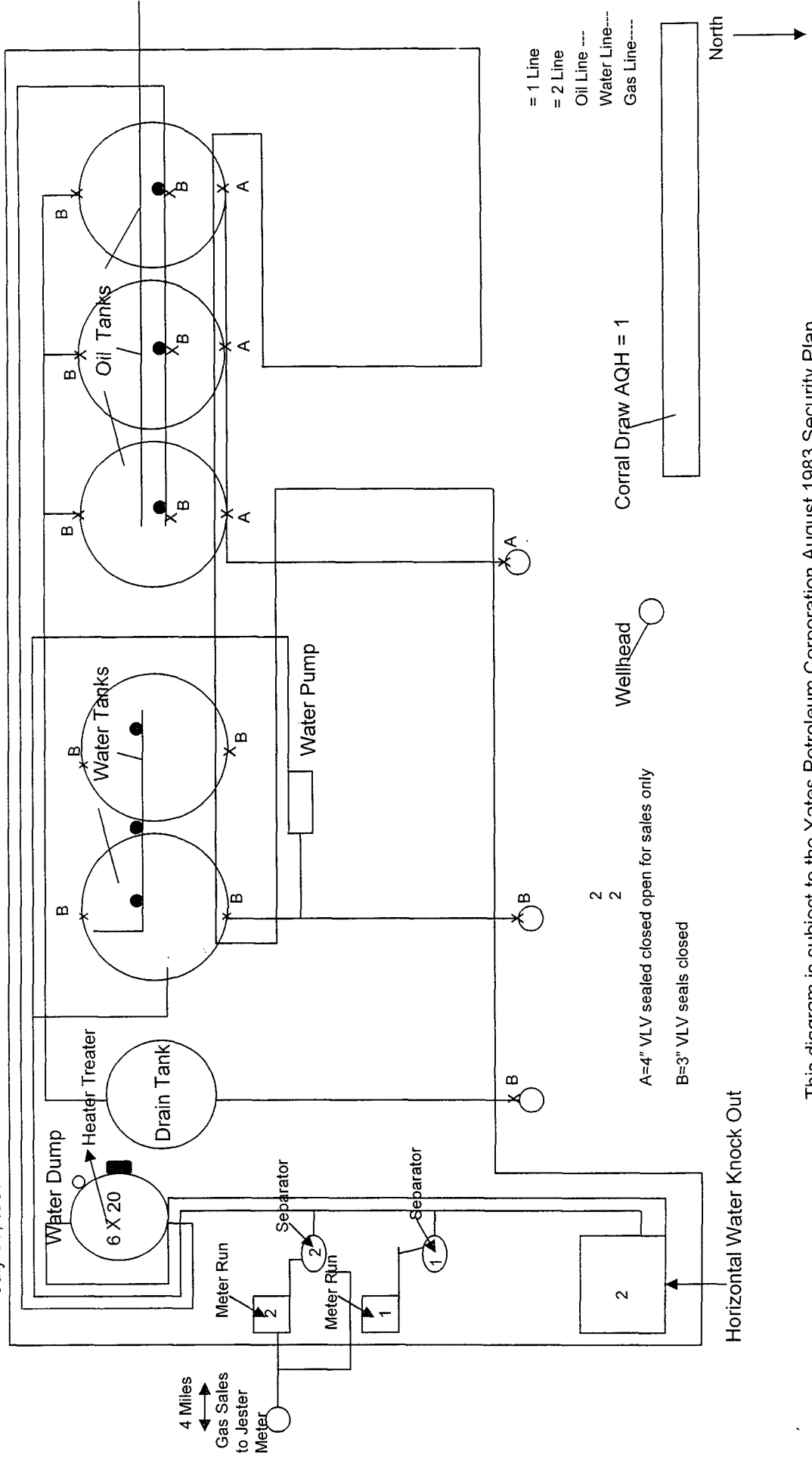


105 South 4th Street * Artesia, NM 88210
(505)-748-1471

Corral Draw AQH Federal #1 & #2 Battery

2310'FSL & 330'FWL * Sec13 - T24S-R29e * Unit L
Eddy, NM
API - 3001529396

Joe Chavez - Foreman
July 30, 2007



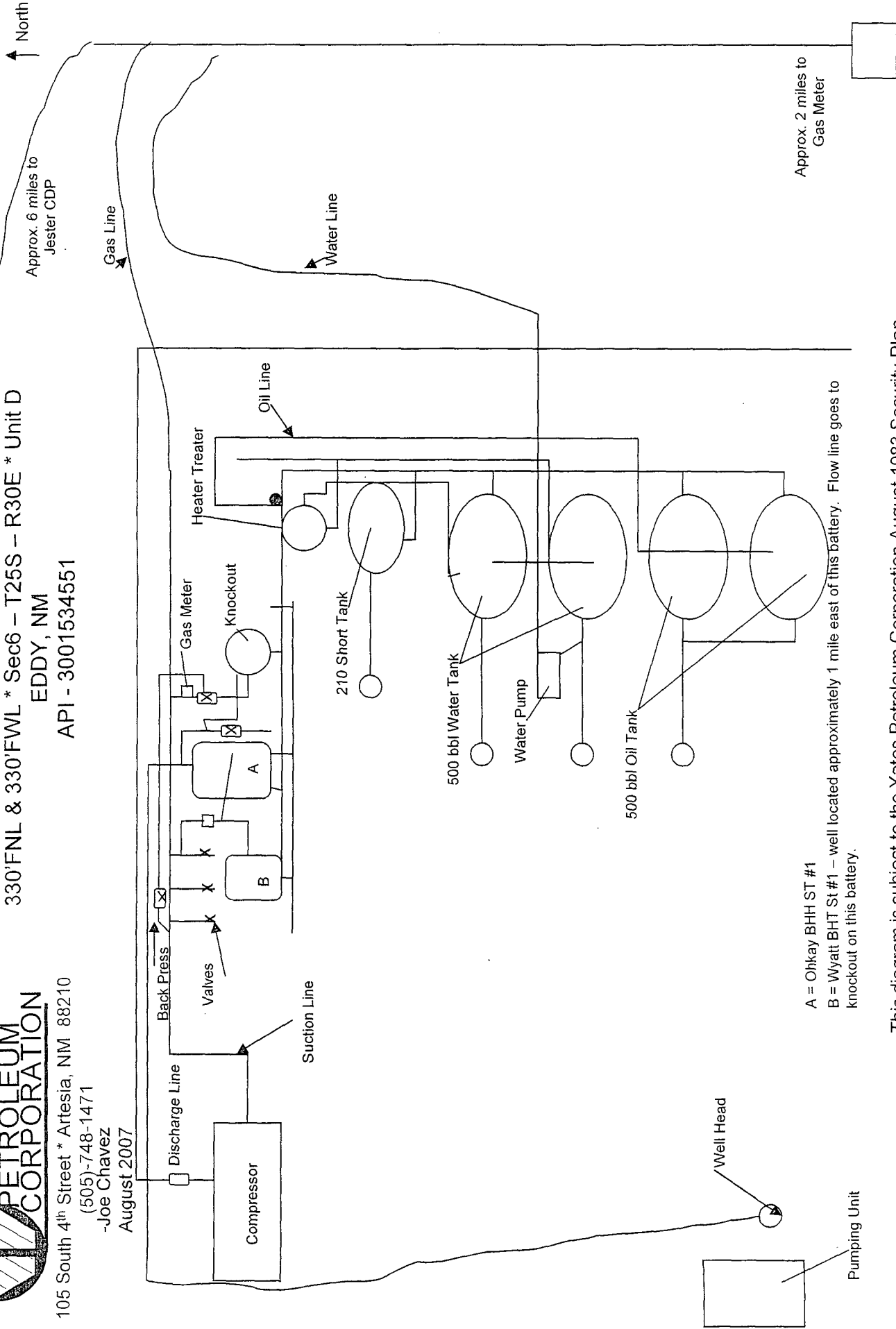
This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan
which is on file at 105 South 4th Street, Artesia, NM



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

OHKAY BHH ST #1 Battery

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



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.

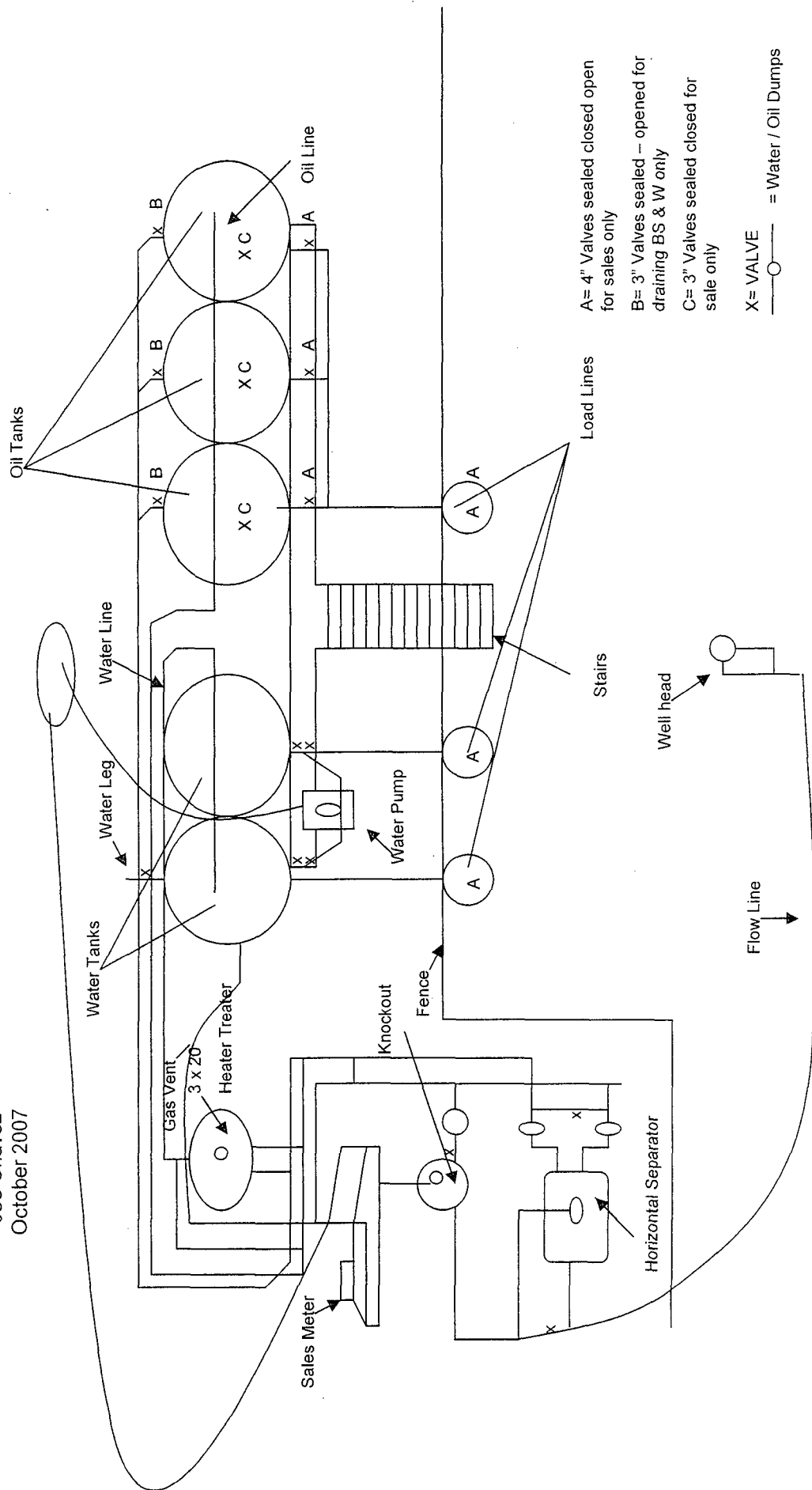
This diagram is subject to the Yates Petroleum Corporation August 1983 Security Plan which is on file at 105 South 4th Street, Artesia, NM



330' FSL & 2310' FEL * 05-25S-30E * 1* EDDY County, NM

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

-Joe Chavez
October 2007



From: Janet Richardson [janet@ypc.com]
Sent: Thursday, October 18, 2007 2:02 PM
To: 'Mayte Reyes'
Subject: RE: Off Lease Measurement Status

Both the Wyatt and Doc are state of New Mexico leases owned by YPC 70%; YDC 10%; Myco 10% and Abo 10%. Thanks, Janet

A handwritten signature in black ink, appearing to read "Janet Richardson", with a large loop at the end of the last name.

STATUS CONTINUED
CO - Company Pay Code
CP - Company Processed Production
CT - Company Tax Partnership Interest
GC - City Government Interest
GI - Federal Government Interest
GS - State Government Interest
NP - Paid Direct
PA - Paid
SA - Unknown Address
SD - Suspense - Waiting on Division Order
SJ - Suspense - Delinquent UG
ST - Suspense - Title Requirement

YATES PETROLEUM CORPORATION
Division of Interest
Federal Royalty Rate Reduction Program
Effective: First Sales

Property:
Well: 019701
001_002

File No.
sg 401-2915-B

PROPERTY: Corral Draw "AQH" Federal Lease
W 1/4 Section 13, T24S-R29E, N14PM
Containing 320.00 acres, more or less
Eddy County, New Mexico

INITIAL QUALIFYING PERIOD: 6/1/87 thru 5/31/98

AVERAGE BBL OF OIL PER DAY IS:

OWNER NUMBER	OWNER NAME	INTER CO #	GROSS WI	BASIC INTEREST	0 BBL	1 BBL	2 BBL	3 BBL	4 BBL	5 BBL	6 BBL	7 BBL	8 BBL	9 BBL	10 BBL	11 BBL	12 BBL	13 BBL	14 BBL	TYPE	STATUS
611540	MINERALS MANAGEMENT SERVICE			0.1250000	0.0050000	0.0130000	0.0210000	0.0290000	0.0370000	0.0450000	0.0530000	0.0610000	0.0690000	0.0770000	0.0850000	0.0930000	0.1010000	0.1090000	0.1170000	RI	GI
999900	YATES PETROLEUM CORPORATION		0.0400000	0.0350000	0.0390000	0.0384000	0.0378000	0.0372000	0.0366000	0.0360000	0.0354000	0.0348000	0.0342000	0.0336000	0.0330000	0.0324000	0.0318000	0.0312000	0.0306000	WI	CO
994100	YATES DRILLING COMPANY		0.3200000	0.2800000	0.3184000	0.3168000	0.3152000	0.3136000	0.3120000	0.3104000	0.3088000	0.3072000	0.3056000	0.3040000	0.3024000	0.3008000	0.2992000	0.2976000	0.2960000	WI	PA
005000	ABO PETROLEUM CORPORATION		0.3200000	0.2800000	0.3184000	0.3168000	0.3152000	0.3136000	0.3120000	0.3104000	0.3088000	0.3072000	0.3056000	0.3040000	0.3024000	0.3008000	0.2992000	0.2976000	0.2960000	WI	PA
640010	MYCO INDUSTRIES, INC.		1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	1.0000000	WI	PA

Royalty on Gas Production is paid on Basic Interest.

NOTE: ROYALTY RATE WILL NEVER BE GREATER than initial qualifying rate for life of the Royalty Rate Reduction Program (OIL ONLY).

The Federal Royalty Rate Reduction Program is subject to termination upon six (6) months notice from BLM under the following conditions:
1. Oil price reaches \$28.00 per Bbl for six (6) consecutive months, or
2. Secretary of the Interior's evaluation of the Royalty Rate Reduction Program as of September 10, 1997.

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: 033510

Effective: First Sales

Well: 001

PROPERTY: Jester "BFJ" Fed. #1

SE/4SW/4 Sec. 12, T24S-R29E, NMPM

Eddy County, New Mexico

File No. 401-3871-B

OWNER NUMBER	OWNER NAME	NET REVENUE INTEREST	TYPE	STATUS
611540	MINERALS MANAGEMENT SERVICE	0.12500000	RI	GI
999900	YATES PETROLEUM CORPORATION	0.03500000	WI	CO
994100	YATES DRILLING COMPANY	0.28000000	WI	PA
005000	ABO PETROLEUM CORPORATION	0.28000000	WI	PA
640010	MYCO INDUSTRIES, INC.	0.28000000	WI	PA
		<u>1.00000000</u>		

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	

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, April 10, 2008 6:41 PM
To: 'mayter@ypcnm.com'
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Warnell, Terry G, EMNRD
Subject: Surface Commingle application from Yates: Corral Draw, Jester, Ohkay, Wyatt, and Doc BHU, Eddy County, NM

Hello Mayte:

Got your application to commingle these 6 wells on State and Federal acreage and just need a couple more things:

Ask your engineer if all 6 wells (or any grouping of identically owned wells - see the landman for this) will have gas and oil allocation meters or metering separators. If only periodic well tests are to be used for allocation of oil well production from diversely owned wells, then ask your attorney to set this application to an examiner hearing - let me know?

If wells are to be equipped with allocation meters, then:

- 1) Ask the three other Yates entities to sign waivers allowing this commingling and send me copies of these waivers - verbal approval is not enough.
- 2) Send copies of the certified receipts of the notices you sent to the other parties owning revenue interests such as the New Mexico State Land Office. *Done* —

Sorry for the trouble, but thank you in advance.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

4/10/2008

7005 2570 0001 6854 7852
7005 2570 0001 6854 7852

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

COMPETITIVE / TEST / OH RAYH

Postage \$
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)

Total Postage

Sent To
Bureau of Land Management
Carlsbad Field Office
620 R. Greene St.
Carlsbad, NM 88220

Postmark Here
MAY 26 8-22-07

PS Form 3811, June 2004

Bureau of Land Management
Carlsbad Field Office
620 R. Greene St.
Carlsbad, NM 88220

RECEIVED
2008 MAY 27 PM 3 52

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
Bureau of Land Management
Carlsbad Field Office
620 R. Greene St.
Carlsbad, NM 88220

2. Article Number
7005 2570 0001 6854 7852
(Transfer from service label)

PS Form 3811, February 2004
Domestic Return Receipt
102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ X
B. Received by (Printed Name)
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:
E. Service Type
☒ Certified Mail
☐ Registered
☐ Insured Mail
☐ C.O.D.
F. Return Receipt for Merchandise
G. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE Contract # 122 / JETEN # 1 / OCT 2007 # 1	
Postage \$	MAY 2007 Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Commissioner of Public Lands Attn: Pete Martinez P. O. Box #1148 Santa Fe, NM 87504-1148	
PS Form 3800, June 2006 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	
1. Article Addressed to: Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	
Commissioner of Public Lands Attn: Pete Martinez P. O. Box #1148 Santa Fe, NM 87504-1148	
2. Article Number (Transfer from commercial invoice) 7005 2570 0001 6854 7838	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:	
B. Received by (Printed Name) C. Date of Delivery	
X A. Signature <input type="checkbox"/> Addressee <input type="checkbox"/> Agent	
COMPLETE THIS SECTION ON DELIVERY	



PATRICK H. LYONS
COMMISSIONER

September 10, 2007

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Attention: Ms. Mayte Reyes

Re: Surface Commingling and
Off Lease Measurement of Gas Production
Corral Draw AQH Federal #1
Corral Draw AQH Federal #2
Jester BFJ Federal #1
Pierce Crossing/Bone Spring, Cedar Canyon /Delaware
Ohkay BHH State Well #1
Nash Draw/Delaware, Pierce Crossing/Bone Spring
Eddy County, New Mexico

Dear Ms. Reyes:

We are in receipt of your application of August 22, 2007 requesting our approval for surface commingling and off lease measurement and storage of the production from the following wells:

Corral Draw AQH Federal#1 L Sec. 13-24S-29E	API # 30-015-29396, Pool#'s 96473, 11540
Corral Draw AQH Federal#2 F Sec. 13-24S-29E	API # 30-015-34257, Pool#'s 96473, 11540
Jester BFJ Federal#1 N Sec. 12-24S-29E	API # 30-015-34275, Pool#'s 96473, 11540
Ohkay BHH State #1 D Sec. 6-25S-30E	API # 30-015-34551, Pool#'s 96473, 47545

It is our understanding that the gas production from the Corral Draw AQH Federal #1, Corral Draw AQH Federal #2, Ohkay BHH State #1, and the Jester BFJ Federal #1 will be measured on lease and the sales point is at a CDP meter located on the Jester BFJ Federal #1 630' FSL 2310' FWL (N) Sec. 12-24S-29E.


Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico, as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please Submit a \$30.00 dollar filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

pc: Reader File, OCD-Attention: David Catanach, BLM Roswell – Attn: Mr. John Simitz
-State Land Office Beneficiaries -

Carbie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

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

May 19, 2008

Re: Surface Pool/Lease Commingle Gas Only
Pierce Crossing/Bone Spring, Cedar Canyon/Delaware, Nash Draw Delaware,
Corral Canyon, Delaware
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	Federal	State	State	State
Corral Draw AQH Federal #1	Corral Draw AQH Federal #2	Jester BFJ Federal #1	Ohkay BHH State #1	Wyatt BHT State #1	Doc BHU State #1
Sec 13-T24S-R29E	Sec 13-T24S-R29E	Sec 12-T24S-29E	Sec 6-T25S-R30E	Sec 6-T25S-R30E	Sec 5-T25S-R30E
Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring	Nash Draw/Delaware	Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring
Cedar Canyon/Delaware	Cedar Canyon/Delaware	Cedar Canyon/Delaware	Pierce Crossing/Bone Spring	Nash Draw / Delaware	Corral Canyon/Delaware
Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM
Federal Lease # NM-88136	Federal Lease # NM-88136	Federal Lease #NM-10521	State Lease # VO-6711	State Lease #VO-6699	State Lease #VO-6670
API# 30-015-29396	API# 30-015-34257	API# 30-015-34275	API# 30-015-34551	API# 30-015-34553	API# 30-015-34552

The production from the Corral Draw AQH Federal #1, Corral AQH Federal #2, Ohkay BHH State #1, Jester BFJ Federal #1, Wyatt BHT State #1, and for the Doc BHU State #1 is measured on lease and the sales point at a meter located on the Jester BFJ Federal #1 630' FSL 2310' FWL Sec 12 -T24S-R29E Unit N.

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

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

May 19, 2008

Re: Surface Pool/Lease Commingle Gas Only
Pierce Crossing/Bone Spring, Cedar Canyon/Delaware, Nash Draw Delaware,
Corral Canyon, Delaware
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	Federal	State	State	State
Corral Draw AQH Federal #1	Corral Draw AQH Federal #2	Jester BFJ Federal #1	Ohkay BHH State #1	Wyatt BHT State #1	Doc BHU State #1
Sec 13-T24S-R29E	Sec 13-T24S-R29E	Sec 12-T24S-29E	Sec 6-T25S-R30E	Sec 6-T25S-R30E	Sec 5-T25S-R30E
Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring	Nash Draw/Delaware	Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring
Cedar Canyon/Delaware	Cedar Canyon/Delaware	Cedar Canyon/Delaware	Pierce Crossing/Bone Spring	Nash Draw / Delaware	Corral Canyon/Delaware
Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM
Federal Lease # NM-88136	Federal Lease # NM-88136	Federal Lease #NM-10521	State Lease # VO-6711	State Lease #VO-6699	State Lease #VO-6670
API# 30-015-29396	API# 30-015-34257	API# 30-015-34275	API# 30-015-34551	API# 30-015-34553	API# 30-015-34552

The production from the Corral Draw AQH Federal #1, Corral AQH Federal #2, Ohkay BHH State #1, Jester BFJ Federal #1, Wyatt BHT State #1, and for the Doc BHU State #1 is measured on lease and the sales point at a meter located on the Jester BFJ Federal #1 630' FSL 2310' FWL Sec 12 -T24S-R29E Unit N.

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

May 19, 2008

Re: Surface Pool/Lease Commingle Gas Only
Pierce Crossing/Bone Spring, Cedar Canyon/Delaware, Nash Draw Delaware,
Corral Canyon, Delaware
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	Federal	State	State	State
Corral Draw AQH Federal #1	Corral Draw AQH Federal #2	Jester BFJ Federal #1	Ohkay BHH State #1	Wyatt BHT State #1	Doc BHU State #1
Sec 13-T24S-R29E	Sec 13-T24S-R29E	Sec 12-T24S-29E	Sec 6-T25S-R30E	Sec 6-T25S-R30E	Sec 5-T25S-R30E
Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring	Nash Draw/Delaware	Pierce Crossing/Bone Spring	Pierce Crossing/Bone Spring
Cedar Canyon/Delaware	Cedar Canyon/Delaware	Cedar Canyon/Delaware	Pierce Crossing/Bone Spring	Nash Draw / Delaware	Corral Canyon/Delaware
Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM	Eddy County, NM
Federal Lease # NM-88136	Federal Lease # NM-88136	Federal Lease #NM-10521	State Lease # VO-6711	Sate Lease #VO-6699	State Lease #VO-6670
API# 30-015-29396	API# 30-015-34257	API# 30-015-34275	API# 30-015-34551	API# 30-015-34553	API# 30-015-34552

The production from the Corral Draw AQH Federal #1, Corral AQH Federal #2, Ohkay BHH State #1, Jester BFJ Federal #1, Wyatt BHT State #1, and for the Doc BHU State #1 is measured on lease and the sales point at a meter located on the Jester BFJ Federal #1 630' FSL 2310' FWL Sec 12 -T24S-R29E Unit N.

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.

RECEIVED



2008 JUN 9 PM 1 58
PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 2, 2008

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Ms. Mayte Reyes

Re: Surface Commingling and
Off Lease Measurement of Gas Production
Corral Draw AQH Federal #1
Corral Draw AQH Federal #2
Jester BFJ Federal #1
Pierce Crossing/Bone Spring, Cedar Canyon /Delaware
Ohkay BHH State Well #1
Wyatt BHT State Well #1
Nash Draw/Delaware, Pierce Crossing/Bone Spring
Doc BHU State Well No. 1
Pierce Crossing/Bone Spring, Corral Canyon/Delaware
Eddy County, New Mexico

Dear Ms. Reyes:

We are in receipt of your application of May 27, 2008 requesting our approval for surface commingling and off lease measurement and storage of the production from the following wells:

Corral Draw AQH Federal#1 L Sec. 13-24S-29E	API # 30-015-29396, Pool#'s 96473, 11540
Corral Draw AQH Federal#2 F Sec. 13-24S-29E	API # 30-015-34257, Pool#'s 96473, 11540
Jester BFJ Federal#1 N Sec. 12-24S-29E	API # 30-015-34275, Pool#'s 96473, 11540
Ohkay BHH State #1 D Sec. 6-25S-30E	API # 30-015-34551, Pool#'s 96473, 47545
Wyatt BHT State Well #1 B Sec. 6-25S-30E	API # 30-015-34553, Pool #'s 47545, 96403
Doc BHU State Well #1 O Sec. 5-25S-30E	API # 30-015-34552, Pool #'s 96403, 11360

It is our understanding that the gas production from the above mentioned wells will be measured on lease and the sales point is at a CDP meter located on the Jester BFJ Federal #1 630' FSL 2310' FWL (N) Sec. 12-24S-29E.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico, as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please Submit a \$30.00 dollar filing fee.

-State Land Office Beneficiaries -

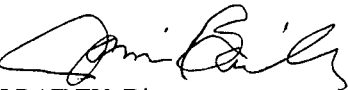
Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

Yates Petroleum Corporation
June 2, 2008
Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

cc: Reader File
OCD-Attention: Ed Martin
BLM Roswell – Attn: Mr. John Simitz