

DATE IN SUSPENSE 11/12/08

ENGINEER W Jones

LOGGED IN 11/13/08

TYPE PLC

APP NO. PKVRO831842206

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



*Yates*

**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 \_\_\_\_\_

*Juniper BIP Federal #5  
30-075-28577  
Eddy - Co  
only well in Sec 4  
"Asking For an Amend-  
ment  
to PLC-310  
issued"*

[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

*Temp -  
PLC-275*

[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

Mate Reyes  
Signature

PRODUCTION CLERK  
Title

11-7-08  
Date

mayte.ypc@nrm.com  
e-mail Address

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.  
NMNM99034

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

1. Type of Well  
Oil Gas  
 Well  Well  Other

8. Well Name and No.  
Juniper BIP Federal #5

2. Name of Operator  
Yates Petroleum Corporation

9. API Well No.  
30-015-28577

3. Address and Telephone No.  
105 South Fourth Street, Artesia, NM 88210 (505) 7481471

10. Field and Pool, or Exploratory Area  
Malaga/ Delaware & Pierce Crossing/Bone Spring

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1780' FNL & 1650' FWL Section 4-T24S-R29E (Unit F, SENW)

11. County or Parish, State  
Eddy County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing-
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Surface Pool / Lease Commingle	<input type="checkbox"/> Dispose Water
Gas Only		(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 for the addition to Surface Pool / Lease Commingle Gas Only PLC-310 approved on June 9<sup>th</sup> 2008

Please see attachment.

We are adding the Knoll AOK Federal #2H and the Knoll AOK Federal #3H (not yet drilled) wells to the Knoll AOK Federal #1 CDP which was approved by the OCD on June 9, 2008 and by the BLM on September 22, 2008.

The CDP is located ¼ mile south of the Knoll AOK Federal #1 at the Vision Energy Company Lease called HBP3-#1. Please see attached plat and site facility diagram.

Diversified ownership by percentages. Waivers are attached. All in house subsidiaries.

Each of these wells shall be equipped with allocation meters on gas prior to commingling for sales. The gas sales point for this commingled production shall be located at the Vision Energy Inc. CDP in the S/2of Sec. 3Unit J, K, or 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 Knoll AOK Federal #2H is 1.9 mcf, and the estimated gas production for the Knoll AOK Federal #3H is N/A mcf per day.

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 Mate Reyes Title Production Secretary

Date November 7, 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.

adding to  
PLC-310

Federal

Federal

Federal

Federal

Juniper BIP Federal #5  
Malaga/Delaware  
Pierce Crossing/Bone Springs  
Eddy County, NM  
Federal Lease # NM-99034  
API# 30-015-28577

Knoll AOK Federal #1  
Cedar Canyon / Bone Springs  
Eddy County, NM  
Federal Lease # NM-85891  
API# 30-015-28127

Knoll AOK Federal #2H  
Cedar Canyon / Bone Springs  
Eddy County, NM  
Federal Lease # NM-85891  
API# 30-015-35108

Knoll AOK Federal #3H (not yet drilled)  
Cedar Canyon / Bone Springs  
Eddy County, NM  
Federal Lease # NM-85891  
API# 30-015-35907

CPHC  
398

unit #2  
320 Acres

unit # H/E  
318.62 Acres  
320

Malaga/Delaware

42940

Cedar Canyon/Bone Springs

11520

Pierce Crossing/Bone Springs

50371

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

Energy, Minerals and Natural Resources Department

District II  
1301 W. Grand Ave, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

District III  
1000 Rio Brazos Road, Aztec, NM 87410

1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

District IV  
1220 S. St Francis Dr, Santa Fe, NM 87505

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: YATES PETROLEUM CORPORATION

OPERATOR ADDRESS: 105 SOUTH 4th 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. PLC-310

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
<u>11500 CEDAR CANYON BONE SPINDLE</u>	<u>1.000</u>	<u>1.318</u>			
<u>50371 PIERRE CANYON BONE SPINDLE</u>	<u>1.318</u>				
<u>48740 MALAGA DELAWARE</u>	<u>1.318</u>				

- (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: Mayte Reyes

TITLE: PRODUCTION CLERK DATE: 11-7-08

TYPE OR PRINT NAME MAYTE REYES

TELEPHONE NO.: 575-748-4213

*COP*

# KNOLL AOK FEDERAL #1 BATTERY

1980' FNL & 1980' FEL \* Sec 3 - T24S - R29E \* Unit G

Eddy County, NM

30-015-28127

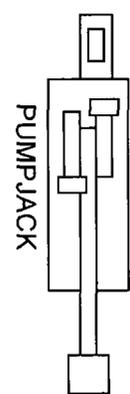


105 South 4th Street \* Artesia, NM 88210

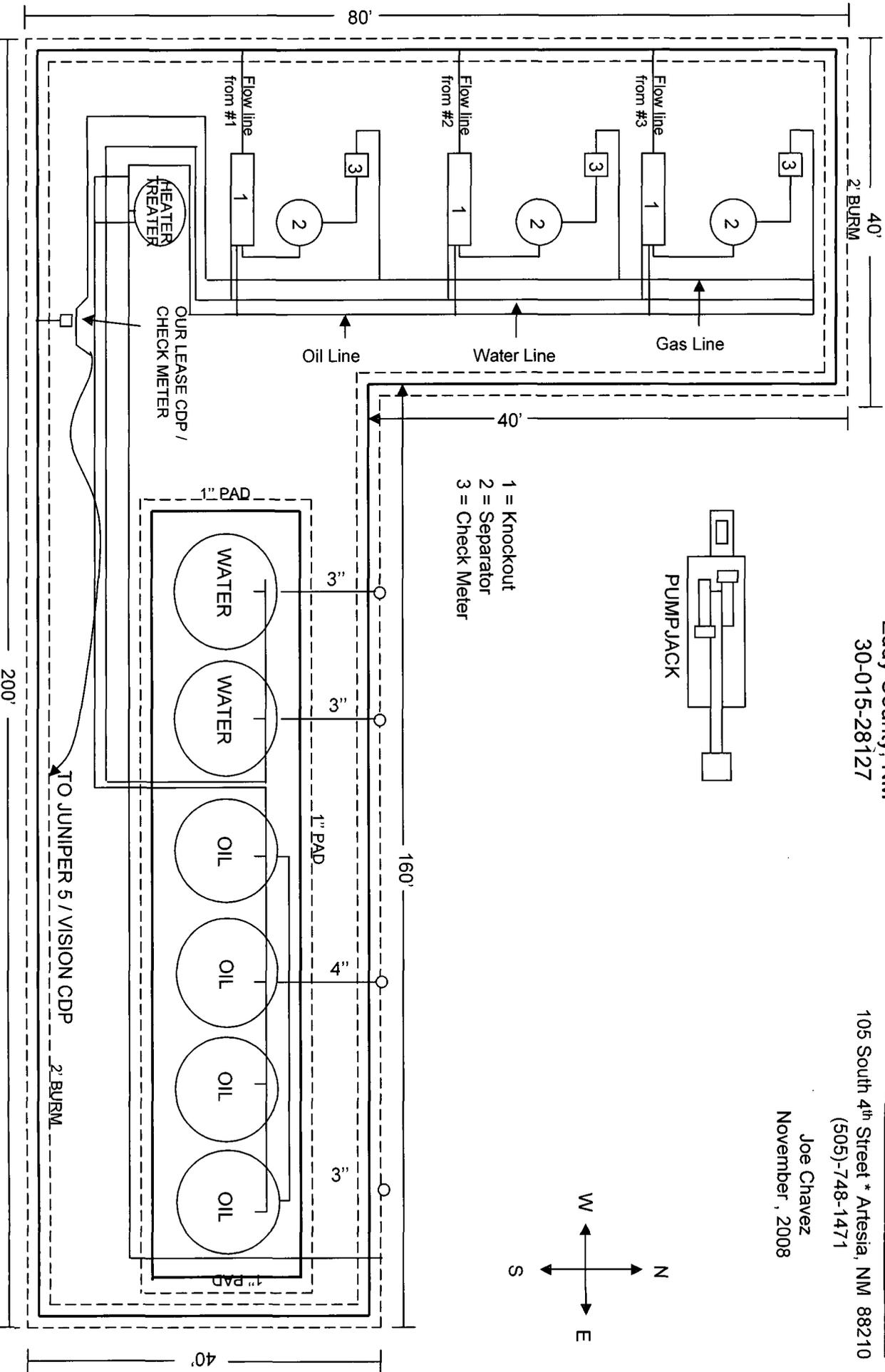
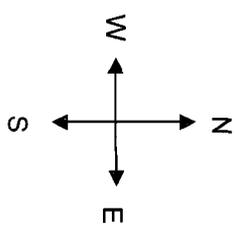
(505)-748-1471

Joe Chavez

November, 2008



- 1 = Knockout
- 2 = Separator
- 3 = Check Meter



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

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

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	
4 Property Code		5 Property Name			6 Well Number
		KNOLL "AOK" FEDERAL			1
7 OGRID No.		8 Operator Name			9 Elevation
		YATES PETROLEUM CORPORATION			3062.

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
G	3	24 S	29 E		1980	NORTH	1980	EAST	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	13 Joint or Infill	14 Consolidation Code	15 Order No.
.70			

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>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature: <i>Ken Beardemphl</i></p> <p>Printed Name: KEN BEARDEMPHL</p> <p>Title: LANDMAN</p> <p>Date: 7/7/94</p>
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: JULY 9, 1994</p> <p>Signature and Seal of Professional Surveyor: <i>H. R. Redd</i></p> <p>NEW MEXICO          5412          REGISTERED LAND SURVEYOR</p> <p>Certificate Number: NM PR 8710 1054 12</p>

DISTRICT I  
1625 E. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Elc Brazos Rd., Artesia, NM 87410

DISTRICT IV  
2040 South Panhoco, Santa Fe, NM 87605

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1989  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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 Knoll AOK Federal	Well Number 2 H
OGED No. 025575	Operator Name Yates Petroleum Corp.	Elevation 3083'

Surface Location

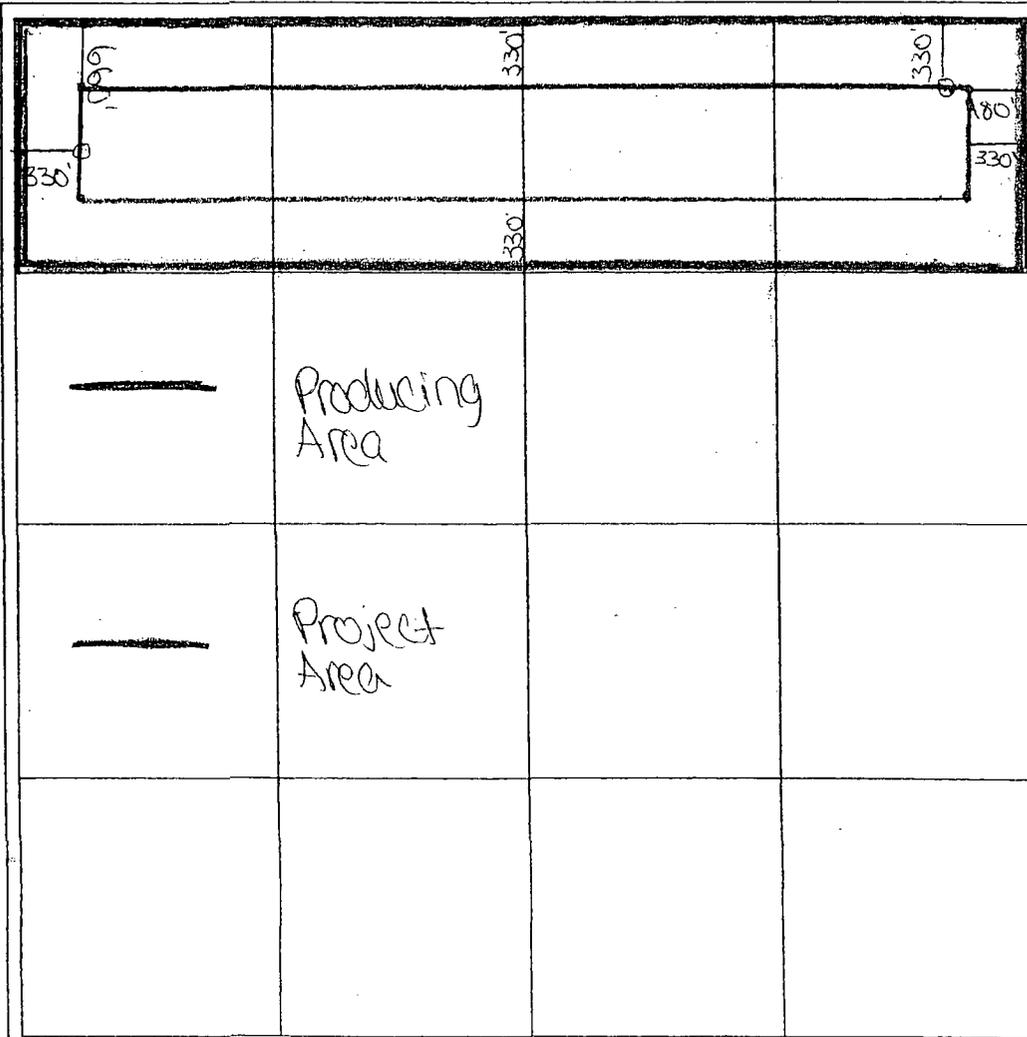
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	24 S	29 E		330	North	480	East	Eddy

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
D	3	24 S	29 E		660	North	330	West	Eddy

Dedicated Acres 160	Joint or Infill	Consolidation Code	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

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Cy Cowan*

Signature  
Cy Cowan, Regulatory Agent  
Printed Name

Title  
Refer to Original Plat  
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.

Refer to Original Plat

Date Surveyed  
Signature & Seal of  
Professional Surveyor

Certificate No.

DISTRICT I  
1626 N. French Dr., Hobbs, NM 88340

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1989  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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 Knoll AOK Federal	Well Number 3H
OGED No. 025575	Operator Name Yates Petroleum Corp.	Elevation 3058'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	24 S	29 E		2310	North	480	East	Eddy

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
E	3	24 S	29 E		2210	North	330	West	Eddy

Dedicated Acres 160	Joint or Infill	Consolidation Code	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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i></p> <p>Signature Cy Cowan, Regulatory Agent Printed Name</p> <p>Title _____</p> <p>Date _____</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Refer to Original Plat</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p>Certificate No. _____</p>	

District I  
1625 N. French Dr., Hobbs, NM 88249  
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

**ATTACHMENT A**

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 30-015-28577	<sup>2</sup> Pool Code 50371	<sup>3</sup> Pool Name Pierce Crossing; Bone Springs
<sup>4</sup> Property Code 034067	<sup>5</sup> Property Name Juniper BIP Federal	
<sup>7</sup> OGRID No. 025575	<sup>2</sup> Operator Name Yates Petroleum Corporation	
		<sup>6</sup> Well Number #5
		<sup>8</sup> Elevation 3,075

<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
F	4	24S	29E		1,780'	FNL	1,650'	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

	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Debbie Chavez</i> Signature</p> <p>Debbie Chavez Printed Name</p> <p>Engineering Technician Title and E-mail Address</p> <p>10/12/07 Date</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b> 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.</p> <p>Refer to Original Plat</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>
	<p>Certificate Number</p>

Scanned in NMOCED system, not stamped  
10-10-08

2nd copy  
8-28-08

Form C-102

**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

Revised October 12, 2005  
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 30-015-28577		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Wildcat; Delaware	
<sup>4</sup> Property Code 36237	<sup>5</sup> Property Name Juniper BIP Federal			<sup>6</sup> Well Number 5
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation			<sup>9</sup> Elevation 3078'GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
F	4	24S	29E		1780	North	1650	West	Eddy

<sup>11</sup> 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
<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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>  May 9, 2008 Signature Date Tina Huerta Printed Name
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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

OK 10/13/08 CS



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

November 7, 2008

Re: Surface Pool/Lease Commingle Gas only  
Pierce Crossing/Bone Spring, Malaga, Cedar Canyon Bone Spring  
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval for the addition to Surface Pool / Lease Commingle Gas Only PLC-310 approved on June 9<sup>th</sup> 2008

Federal	Federal	Federal	Federal
Juniper BIP Federal #5 Malaga/Delaware Pierce Crossing/Bone Springs Eddy County, NM Federal Lease # NM-99034 API# 30-015-28577	Knoll AOK Federal #1 Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-28127	Knoll AOK Federal #2H Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-35108	Knoll AOK Federal #3H (not yet drilled) Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015- 35907

Each of these wells shall be equipped with allocation meters on gas prior to commingling for sales. The gas sales point for this commingled production shall be located at the Vision Energy Inc. CDP in the S/2of Sec. 3Unit J, K, or N.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

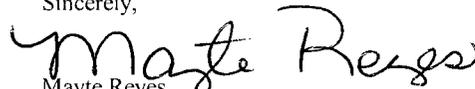
The purpose of the Commingling, is to reduce operating costs for storage and treating, thereby extending the economic life of each well. Without approval for utilizing existing batteries on adjacent leases, it will become necessary to built separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

The proposed commingling is necessary for economic operation of the above referenced leases.

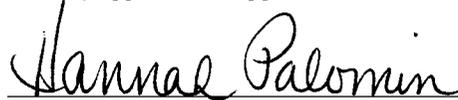
Any objection must be filed in writing with District Office within 20 days from the date the division received the application.

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.

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

November 7, 2008

Re: Surface Pool/Lease Commingle Gas only  
Pierce Crossing/Bone Spring, Malaga, Cedar Canyon Bone Spring  
Eddy County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation respectfully request administrative approval for the addition to Surface Pool / Lease Commingle Gas Only PLC-310 approved on June 9<sup>th</sup> 2008

Federal	Federal	Federal	Federal
Juniper BIP Federal #5 Malaga/Delaware Pierce Crossing/Bone Springs Eddy County, NM Federal Lease # NM-99034 API# 30-015-28577	Knoll AOK Federal #1 Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-28127	Knoll AOK Federal #2H Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-35108	Knoll AOK Federal #3H (not yet drilled) Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015- 35907

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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  
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CHAIRMAN OF THE BOARD  
FRANK YATES, JR.  
PRESIDENT  
PEYTON YATES  
DIRECTOR  
JOHN A. YATES, JR.  
DIRECTOR

November 7, 2008

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Pierce Crossing/Bone Spring, Malaga, Cedar Canyon Bone Spring  
Eddy County, New Mexico

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Federal	Federal	Federal	Federal
Juniper BIP Federal #5 Malaga/Delaware Pierce Crossing/Bone Springs Eddy County, NM Federal Lease # NM-99034 API# 30-015-28577	Knoll AOK Federal #1 Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-28127	Knoll AOK Federal #2H Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015-35108	Knoll AOK Federal #3H (not yet drilled) Cedar Canyon / Bone Springs Eddy County, NM Federal Lease # NM-85891 API# 30-015- 35907

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Sincerely,

Mayte Reyes  
Production Clerk

I hereby approve this application

Company: Yates Petroleum Corporation

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
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S.P. YATES  
CHAIRMAN EMERITUS  
  
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FRANK YATES, JR.  
PRESIDENT  
  
PEYTON YATES  
DIRECTOR  
  
JOHN A. YATES, JR.  
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November 7, 2008

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Pierce Crossing/Bone Spring, Malaga, Cedar Canyon Bone Spring  
Eddy County, New Mexico

Dear Interest Owner:

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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

# Eddy County, N M

Township ~~24S~~ Range \_\_\_\_\_

Township \_\_\_\_\_ Range \_\_\_\_\_

Township 24S Range 29E

Township \_\_\_\_\_ Range \_\_\_\_\_

Form 104 - (Four on Township)

6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36
6	5	4	3	2	1	6	5	4	3	2	1
7	8	9	10	11	12	7	8	9	10	11	12
18	17	16	15	14	13	18	17	16	15	14	13
19	20	21	22	23	24	19	20	21	22	23	24
30	29	28	27	26	25	30	29	28	27	26	25
31	32	33	34	35	36	31	32	33	34	35	36

- Sec 3 G  Knoll "AOK" Federal #1 - 40 Acres
  - Sec 3 A-D  Knoll "AOK" Federal #2 H 160 wildcat Bone Spring
  - Sec 3 H-E  Knoll "AOK" Fed #3 H 160 wildcat Bone Spring
  - Sec 4 F  Juniper NIP Fed #5 40 pierce Crossing/Bone Springs wildcat/Delaware
- (JICORN)