

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
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30 005 63677

SEP 14 2007
OCD-ARTESIA

August 31, 2007

Tim Gum
State of New Mexico
OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87505

Re: Value BCV State Com #2

Dear Mr. Gum:

Enclosed please find a copy of form C-107A (Application for Downhole Commingling) on Yates Petroleum Corporation Value BCV State Com #2 of 2-8S-26E, Chaves County, New Mexico.

If you have any questions or need additional information, please call me at (505) 748-4361.

Sincerely,

Debbie Chavez
Engineering Technician

Enclosure(s)

2007 SEP 4 PM 1 12
RECEIVED

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

ATTACHMENT A

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-63677		² Pool Code 80146	³ Pool Name Leslie Spring; Wolfcamp
⁴ Property Code 33592	⁵ Property Name Value BCV State Com		⁶ Well Number #2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3831

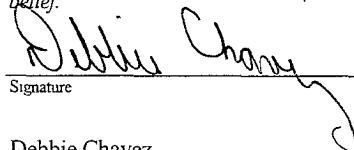
¹⁰ Surface Location

UL or lot no. B	Section 2	Township 8S	Range 26E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 1980'	East/West line East	County Chaves
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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 320		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

<div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; border: 1px solid black; padding: 2px;"> 660' N 1980' E </div> </div>	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 August 22, 2007 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> Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

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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 30-005-63677	² Pool Code 82730	³ Pool Name Pecos Slope; Abo
⁴ Property Code 33592	⁵ Property Name Value BCV State Com	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	
		⁶ Well Number #2
		⁹ Elevation 3831

¹⁰ Surface Location

UL or lot no. B	Section 2	Township 8S	Range 26E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 1980'	East/West line East	County Chaves
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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
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¹² Dedicated Acres 160	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 style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0; border: 1px solid black; padding: 2px;"> 1980' E 1660' N </div> </div>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Debbie Chavez</i></p> <p>Signature</p> <p>Debbie Chavez</p> <p>Printed Name</p> <p>Engineering Technician</p> <p>Title and E-mail Address</p> <p>August 22, 2007</p> <p>Date</p>	
	<p>¹⁸ 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>Refer to Original Plat</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
	<p>Certificate Number</p>	

ATTACHMENT B

The Leslie Spring; Wolfcamp is a new zone and production curves are not available.

The Pecos Slope: Abo is a new zone and production curves are not available.

ATTACHMENT C

After perforating, acidizing and flowing the Wolfcamp for two days it is clear that production from Wolfcamp only will not make an economic well. However, it has some reserves that we do not want to leave behind. The pressure has still not stabilized, but is currently testing about 300mcfd to atmosphere. We would like to commingle production from both zones. The Abo has yet not been completed.

Value "BCV" State Com #2

Township 8 South, Range 26 East, N.M.P.M.

Section 2: 660' FNL & 1980' FEL

Chaves County, New Mexico

Royalty Interest Owner:

State of New Mexico

ORRI Owners:

John A Yates

Trust Q U/W/O Peggy A Yates, Deceased

Yates Drilling

Sharbro Oil Ltd. Co.

Yates Petroleum Corp.

James P. Brannigan

P.O. Box 2087

Roswell, NM 88202

Working Interest Owners:

Campbell Investment Company

C/O Pat Greenwood

P.O. Box 3854

Roswell, NM 88202-3854

Calto Oil Company

P.O. Box 12266

Dallas, TX 75225-0266

Dansk Pipeline, L.P.

8235 Douglas Ave., LB 76

Dallas, TX 75225

Gruy LLC

8222 Douglas Avenue, Ste 250

Dallas, TX 75225

Thornton Operating Corporation

7928 Vista Ridge Dr. N.

Fort Worth, TX 76132-4529

Marley Livestock, Inc.

P.O. Box 1658

Roswell, NM 88202

Robert C. Marley Estate

c/o Michael White, PR

P.O. Box 1658

Roswell, NM 88202

Lauralea Marley, A Widow

P.O. Box 332

Tinnie, NM 88351

Greg Vujovich
100 Mt. Highway 287
Ennis, MT 59729
Cashmere, WA 98815

John Cadigan
Drawer "F"
Cashmere, WA 98815

Linda Cadigan Estate
Drawer "F"
Cashmere, WA 98815