Juniper BIP Federal 5, 6Y, 8H, 9H, 10H, 11H

Yates Petroleum Corporation

April 4, 2011

Condition of Approval
Commingle on lease

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.

2. This agency shall be notified of any spill or discharge as required by NTL-3A.

3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.

5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.

6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.

7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.

8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to MMS as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to MMS. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.

9. This agency shall be notified of any change in sales method or location of sales point.

10. Additional wells and/or leases require additional commingling approvals.

11. Upon completion of the Juniper BIP Federal #11H submit required Production information: BOPD, Oil Gravity, MCFPD and BTU.