

New Mexico Oil Conservation Division, District I

1625 N. French Drive

Hobbs, NM 88240

RECEIVED

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

JAN 19 2010

HOBBSD

5. Lease Serial No.

NM-105886

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well



Oil Well



Gas Well



Other

2. Name of Operator

Yates Petroleum Corporation

3a. Address

105 S. 4th Str., Artesia, NM 88210

3b. Phone No. (include area code)

575-748-1471

4 Location of Well (Footage, Sec., T., R., M., OR Survey Description)

990' FNL & 200' FEL Section 11T15S-R31E (Unit A, NENE) At surface

7 If Unit or CA/Agreement, Name and/or No

NMNM123503

8. Well Name and No.

Ninja BMN State Com #1

9. API Well No.

30-005-29083

10 Field and Pool or Exploratory Area

Wildcat/Abo, Wolfcamp

11 County or Parish, State

Chavez, County

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

TYPE OF SUBMISSION

TYPE OF ACTION



Notice of Intent



Subsequent Report



Final Abandonment Notice



Acidize



Alter Casing



Casing Repair



Change Plans



Convert to Injection



Deepen



Fracture Treat



New Construction



Plug and Abandon



Plug Back



Production (Start/Resume)



Reclamation



Recomplete



Temporarily Abandon



Water Disposal



Water Shut-Off



Well Integrity



Other

Surface/Lease

Commingling

13 Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Yates Petroleum Corporation respectfully requests administrative approval to Surface/Lease Commingling Oil & Gas the following wells:

STATE

Ninja BMN State Com #1

Sec-11-15S-31E

Wildcat/Abo, Wolfcamp

Chavez County, NM

Fed Com Agreement# NMNM123503

API# 30-005-29083

FEDERAL

Vespa BME Federal #1H

Sec-12-15S-31E

Wildcat/Abo, Wolfcamp

Chavez County, NM

Fed Com Agreement# NMNM105886

API#30-005-29095

See attached.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Mayte reyes

Title

Production Clerk

Signature

Mayte Reyes

Date

November 5, 2009

K. J. PETROLEUM ENGINEER
JAN 20 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ JOHN S. SIMITZ

Title

Geologist

Date

12/30/09

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S. P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

JOHN A. YATES
CHAIRMAN OF THE BOARD
PRESIDENT

JOHN A. YATES JR.
ASSISTANT TO THE PRESIDENT

JAMES S. BROWN
CHIEF OPERATING OFFICER

JOHN D. PERINI
CHIEF FINANCIAL OFFICER

November 5, 2009

To Whom It May Concern:

Re Surface/Lease Commingle Oil & Gas
Chavez County, New Mexico

Dear Interest Owner:

Yates Petroleum Corporation is requesting administrative approval from the Oil Conservation Division, Bureau of Land Management and State Land Office to Surface/Lease Commingle the attached list of wells.

STATE	FEDERAL
Ninja BMN State Com #1	Vespa BME Federal #1H
Sec-11-15S-31E	Sec-12-15S-31E
Wildcat/Abo, Wolfcamp	Wildcat/Abo, Wolfcamp
Chavez County, NM	Chavez County, NM
Fed Com Agreement# NMNM123503	Fed Com Agreement# NMNM105886
API# 30-005-29083	API#30-005-29095

Each of these wells shall be equipped with continuous metering separators for oil production prior to oil being commingled for sales. The wells shall be equipped with a gas allocation meter that will continuously meter gas production prior to commingling and these measurements shall be used to allocate production from battery to the wells.

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

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

The purpose of the surface 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 build separate facilities for each well. This will greatly increase costs and shorten the economic life of the well.

Any objection must be filed in writing with the Oil Conservation Division in Santa Fe within 20 days from the date the division received the application. Application will be sent in conjunction with notification to owners.

If you should have any questions, please give me a call at (575) 748-4213 (direct line).

Sincerely,

Mayte Reyes
Production Clerk

I hereby approve this application

Company: Yates Drilling Company.

KATHY H. PORTER
SECRETARY

DENNIS G. KINSEY
TREASURER