

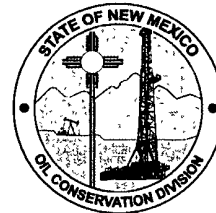


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary
Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 24, 2010

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

LETTER OF VIOLATION

Dear Operator;

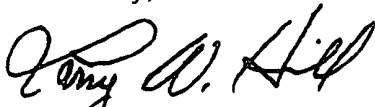
Oil Conservation Division (OCD) well files show that you have 1 well(s) that have been plugged for more than one year without the sites being released. The well(s) are listed on the attachment.

OCD rule 19.15.25.10.D NMAC requires an operator to restore the well site as soon as practical but no later than one year after the completion of plugging operations. Within 30 days after restoring the well site the operator must file a form C-103 to report that the work has been completed. 19.15.25.11 NMAC.

Within thirty days of the date of this letter please clean the well sites according to the requirements set out in 19.15.25.10.D NMAC, and file a final sundry C-103 Subsequent Report of Well Plugging (available on OCD Online under "Forms") for each well to notify the district office that the sites are ready for inspection and release.

Your immediate attention to this matter is requested.

Sincerely;



Larry W. 'Buddy' Hill
NMOCD
District 1 Supervisor

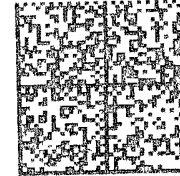


Well Selection Criteria Quick Print

(opno = 25575 and WL_STATUS Like 'H')

API Well #	Well Name and No.	Operator Name	Typ	Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-025-01820-00-00	LAGARTO AMZ STATE 001	YATES PETROLEUM CORPORAT	O	H	Lea	S	M	1	11 S	34 E	660 S	660 W	SWD-102	6/29/2010
30-025-01820-00-00	LAGARTO AMZ STATE 001	YATES PETROLEUM CORPORAT	O	H	Lea	S	M	1	11 S	34 E	660 S	660 W	SWD-102	6/29/2010
30-025-35449-00-00	BREEZE AYF STATE COM 001	YATES PETROLEUM CORPORAT	G	H	Lea	S	I	4	15 S	35 E	1980 S	990 E		11/24/2009
30-025-34790-00-00	EAST SAND SPRINGS BFX 001	YATES PETROLEUM CORPORAT	G	H	Lea	S	L	5	11 S	35 E	1000 N	660 W	ACOI-108	1/4/2010
30-025-39003-00-00	PARTON BGY STATE 002	YATES PETROLEUM CORPORAT	G	H	Lea	S	P	8	10 S	34 E	660 S	660 E		2/4/2010
30-025-35098-00-00	ROCK RIDGE AWD STATE 001	YATES PETROLEUM CORPORAT	O	H	Lea	S	F	10	15 S	35 E	1800 N	1980 W	DHC-374	2/12/2010
30-025-35098-00-00	ROCK RIDGE AWD STATE 001	YATES PETROLEUM CORPORAT	O	H	Lea	S	F	10	15 S	35 E	1800 N	1980 W	DHC-374	2/12/2010
30-025-35098-00-00	ROCK RIDGE AWD STATE 001	YATES PETROLEUM CORPORAT	O	H	Lea	S	F	10	15 S	35 E	1800 N	1980 W	DHC-374	2/12/2010
30-041-00145-00-00	SMITH ZJ Letter 9-3-10 001	YATES PETROLEUM CORPORAT	O	H	Roosevelt	P	M	11	7 S	33 E	660 S	660 W		9/3/2010
30-025-36581-00-00	MERLE STATE UNIT 001	YATES PETROLEUM CORPORAT	G	H	Lea	S	O	13	10 S	34 E	1250 S	1650 E		12/16/2009
30-025-36581-00-00	MERLE STATE UNIT 001	YATES PETROLEUM CORPORAT	G	H	Lea	S	O	13	10 S	34 E	1250 S	1650 E		12/16/2009
30-025-36501-00-00	EAST SAND SPRINGS BGA 004	YATES PETROLEUM CORPORAT	G	H	Lea	S	G	13	11 S	34 E	1850 N	1980 E		7/14/2010
30-025-36501-00-00	EAST SAND SPRINGS BGA 004	YATES PETROLEUM CORPORAT	G	H	Lea	S	G	13	11 S	34 E	1850 N	1980 E		7/14/2010
30-025-36672-00-00	OAKRIDGE BIJ STATE COM 001	YATES PETROLEUM CORPORAT	G	H	Lea	S	B	17	11 S	34 E	680 N	1620 E	DHC-334	7/27/2010
30-025-36672-00-00	OAKRIDGE BIJ STATE COM 001	YATES PETROLEUM CORPORAT	G	H	Lea	S	B	17	11 S	34 E	680 N	1620 E	DHC-334	7/27/2010
30-025-36672-00-00	OAKRIDGE BIJ STATE COM 001	YATES PETROLEUM CORPORAT	G	H	Lea	S	B	17	11 S	34 E	680 N	1620 E	DHC-334	7/27/2010
30-025-27074-00-00	BUFFALO WILLOW LA COM 001	YATES PETROLEUM CORPORAT	G	H	Lea	P	H	21	9 S	32 E	1980 N	660 E		2/2/2010
30-025-25640-00-00	CHAMBERS AQI STATE 001	YATES PETROLEUM CORPORAT	O	H	Lea	S	I	27	15 S	35 E	1980 S	660 E		7/17/2006

EMNRD
OIL CONSERVATION DIVISION
1625 N FRENCH DRIVE
HOBBS NM 88240



HASLER 017H15554612
\$0.440
09/24/2010
Mailed From 88240
US POSTAGE

YATES PETROLEUM CORPORATION
105 S 4TH STREET
ARTESIA, NM 88210