

Nearburg Producing Company

Exploration and Production
401 E. Illinois, Suite 300
Midland, Texas 79701
915 686-8235

October 22, 1990

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88201

Attention: Mr. Randy Patterson

Re: Amethyst Federal Com #1 Well
Eddy County, New Mexico

Sec 32 - T24S R29E

Gentlemen:

Nearburg Producing Company has again been required to move the location of the captioned well to a point 990' FWL & 1880' FNL as shown on the attached plat due to the Bureau of Land Management's appropriate concern over the amount of dirt work required for the prior non-standard location referenced in my letter dated September 25, 1990.

Nearburg Producing Company requests that you waive objection to this location. The attached topographic map shows the standard location with a small arrow and the unorthodox location with a large arrow. Please consider that the topographic map does not do justice to the rugged terrain in this area.

Upon your agreement to waive objection to the above proposed unorthodox location, evidenced by your signature of this letter, Nearburg Producing Company agrees to waive objection at your written request to a location in the N/2 of Section 31, which is no closer than 990' to the east line of the NE/4 of Section 31.


If you are agreeable to waiving objection to this location, please so indicate by signing and dating where indicated below, returning one (1) copy to Nearburg Producing Company at the captioned address. Please call me if you have any questions.

Yours very truly,



Mark K. Nearburg
Vice President

AGREED TO AND ACCEPTED THIS
25th DAY OF October, 1990.
YATES PETROLEUM CORPORATION


BY: Randy G. Patterson
its: Land Manager