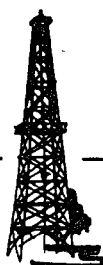


HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

February 23, 2005

RECEIVED

FEB 23 2005

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

Attention: Roy E. Johnson
Sr. Petroleum Geologist

[Handwritten signature]
3/31/05

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Re: Young Deep Unit
Contract #14-08-0001-18042
T-18S, R-32E, N.M.P.M.
Lea County, New Mexico
2005 Plan of Development and
Operation

6775
R-32E

Ladies & Gentlemen:

Enclosed is a copy of the 2005 Plan of Development and Operation for Harvey E. Yates Company's (HEYCO's) Young Deep Unit in Lea County, New Mexico. This covers the Bone Spring, Delaware and Wolfcamp Participating Areas.

This has been submitted for approval to the Bureau of Land Management. Approval from the Commissioner of Public Lands is not required, as there are no State of New Mexico lands in this unit.

HEYCO respectfully requests the New Mexico Oil Conservation Division's approval of this Plan of Development.

Very truly yours,

HARVEY E. YATES COMPANY

By: *[Handwritten signature]*
Diana L. Marshall

/dlm
Enclosures

Ydupodocd2005.doc/Land:ydu#3

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

February 23, 2005

Bureau of Land Management
Roswell District Office
2909 West Second
Roswell, New Mexico 88201

Attention: Deputy Minerals Manager
for Oil and Gas

Re: Young Deep Unit
Contract #14-08-0001-18042
T-18S, R-32E, N.M.P.M.
Lea County, New Mexico
2005 Plan of Development and Operation

Ladies & Gentlemen:

Harvey E. Yates Company (HEYCO), as Unit Operator, submits its 2005 Plan of Development and Operation (in triplicate) as prescribed by Section 10 of the Young Deep Unit Agreement. This plan covers the Bone Spring, Delaware and Wolfcamp Participating Areas in the Young Deep Unit.

In this regard, we are enclosing a current unit map (which is unchanged from last year's map) showing all existing wells. Also included is production data for 2004, prepared by Jen Atkinson, HEYCO's Production Analyst.

HEYCO has three water injection wells (#5, #16 and 3 Fed. #1). Two wells are Delaware producers (#28 and #34) and one is a Wolfcamp producer (#1). All others are Bone Spring producers. HEYCO permanently plugged the Young Deep 4 Fed. #1 and the Young Deep 3 Fed. #3 in 1996 (see enclosed list of Unit wells).

Although HEYCO has completed a study of the Bone Spring sands and carbonates in the Young Deep Unit we are currently reviewing our modeling efforts to determine the information furnished from this study. It is anticipated HEYCO will begin workovers on some of the existing unit wells this year. Plus, we are reviewing the possibility of drilling an additional well or wells, one of which could be a horizontal well.

Based on the information submitted herewith, HEYCO respectfully requests the Bureau of Land Management approve this 2005 Plan of Development and Operation. We will be glad to supply further information if such is required.

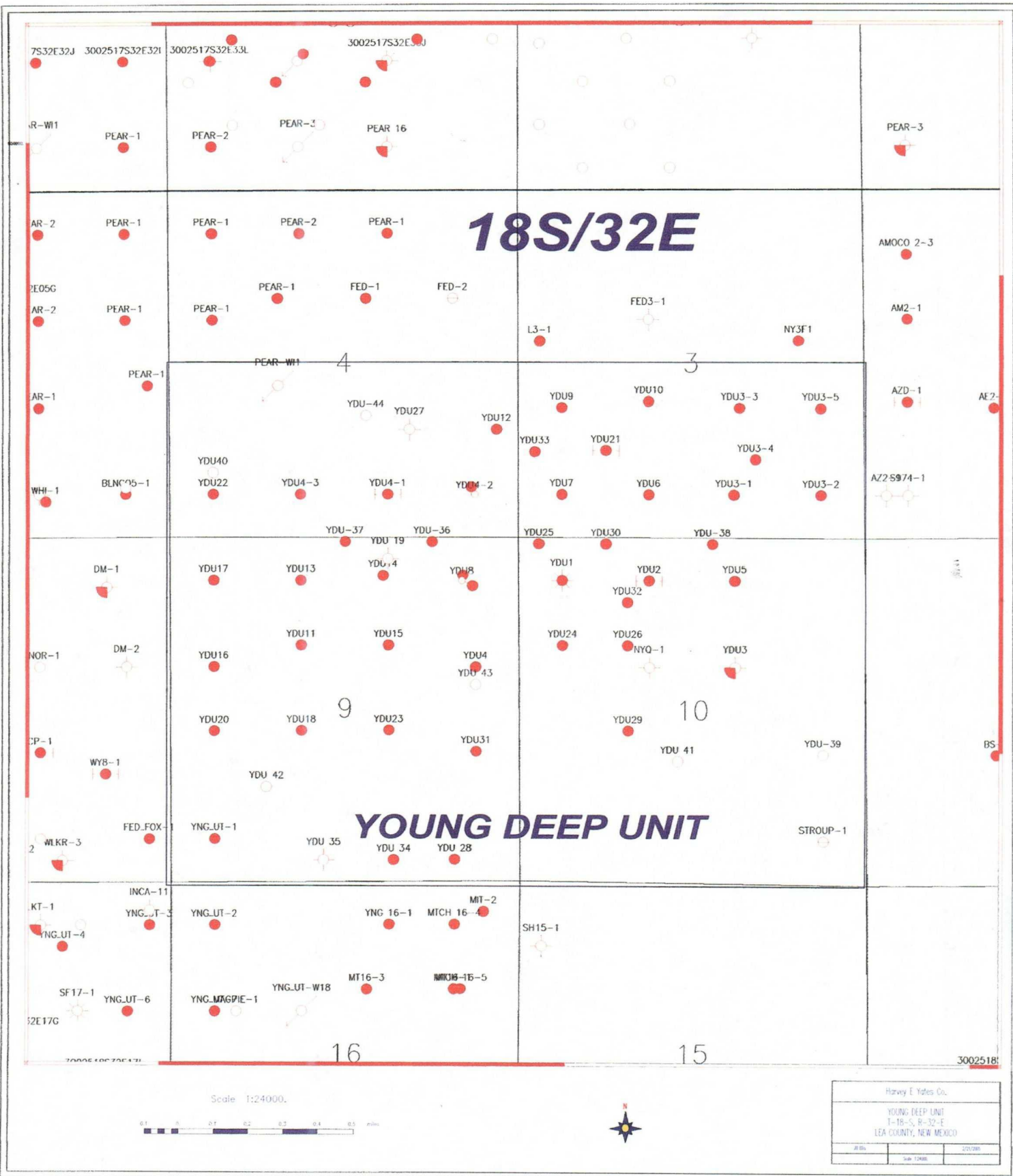
Respectfully submitted,

Vernon D. Dyer-CPL #3174
Land Manager

VDD/dlm
Enclosures

Ydupod2005.doc/Land:Ydu#3

xc: ✓ Oil Conservation Division (w/encl.)
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505
Attn: Sr. Petroleum Geologist



YOUNG DEEP UNIT 2004 ANNUAL OIL PRODUCTION

	1	2	3	4	5	6	7	8	9	10	11	12	Grand Total
YDU 01	1,229	1,119	1,208	1,160	1,148	1,163	1,125	1,139	1,041	1,087	847	839	13,105
YDU 02	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 04	55	65	75	61	175	83	134	119	22	21	11	-	821
YDU 05	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 06	119	26	147	106	170	49	100	115	93	104	80	106	1,215
YDU 07	64	20	24	24	46	11	25	28	-	-	-	-	242
YDU 08	328	356	366	446	582	169	343	393	327	367	489	380	4,546
YDU 09	38	21	25	26	44	11	24	27	94	91	30	74	505
YDU 10	83	69	71	55	88	26	49	59	-	-	23	-	523
YDU 11	421	323	347	385	424	189	326	288	256	254	275	241	3,739
YDU 12	635	590	593	619	645	634	593	667	643	563	489	530	7,201
YDU 13	162	198	212	178	308	146	236	209	147	140	157	165	2,258
YDU 14	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 15	177	161	158	70	185	88	142	126	237	234	253	73	1,904
YDU 16	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 17	228	238	255	186	213	101	164	145	213	217	38	214	2,212
YDU 18	98	120	111	107	113	93	96	114	101	111	101	114	1,277
YDU 20	204	194	208	216	220	209	224	203	213	221	246	277	2,633
YDU 21	169	260	266	100	158	30	97	111	109	41	87	219	1,647
YDU 22	76	67	72	113	136	65	105	93	73	74	109	84	1,067
YDU 23	209	158	173	133	193	109	128	122	198	200	158	109	1,890
YDU 24	240	215	225	207	229	206	216	217	220	226	223	230	2,654
YDU 25	127	146	148	129	140	172	156	144	141	133	136	122	1,693
YDU 26	212	152	203	152	244	71	144	165	166	199	298	179	2,184
YDU 28	114	123	136	159	134	133	131	145	124	20	44	116	1,378
YDU 29	231	205	215	215	205	216	213	231	219	225	214	216	2,605
YDU 30	168	154	150	228	74	90	82	76	144	136	128	142	1,582
YDU 31	143	118	141	128	137	86	112	124	116	129	117	32	1,381
YDU 32	20	127	162	105	165	202	182	168	170	158	171	139	1,789
YDU 33	110	99	100	45	91	115	103	96	89	76	90	82	1,096
YDU 34	142	148	177	167	163	110	136	164	186	150	127	137	1,807
YDU 36	507	453	435	439	427	470	484	391	392	375	372	325	5,070
YDU 37	127	113	109	110	107	118	101	190	204	201	234	184	1,798
YDU 38	559	502	483	450	351	438	358	440	395	379	366	392	5,133
YD 3 FED 01	-	-	-	-	-	-	-	-	-	-	-	-	-
YD 3 FED 02	484	280	223	171	88	64	119	350	332	337	223	175	2,846
YD 3 FED 04	-	-	-	-	-	405	522	383	350	330	85	330	2,405
YD 3 FED 05	233	246	198	218	434	500	538	308	264	30	273	341	3,583
YD 4 FED 02	263	188	192	208	412	120	243	278	289	324	175	206	2,898
YD 4 FED 03	282	260	273	275	252	245	252	241	233	215	224	225	2,977
	8,245	7,514	7,879	7,389	8,501	6,947	8,002	8,069	7,800	7,368	6,913	6,998	91,625

YOUNG DEEP UNIT 2004 ANNUAL GAS PRODUCTION

	1	2	3	4	5	6	7	8	9	10	11	12	Grand Total
YDU 01	3,084	2,732	2,906	2,862	2,960	2,790	2,860	2,830	2,644	2,688	2,476	2,740	33,572
YDU 02	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 04	194	186	160	161	144	140	149	141	144	140	92	-	1,661
YDU 05	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 06	1,112	977	1,147	900	839	751	728	757	765	887	649	657	10,169
YDU 07	181	138	161	132	132	98	103	107	126	125	113	117	1,533
YDU 08	459	501	500	502	985	891	863	898	763	874	861	942	9,039
YDU 09	81	59	69	56	57	42	44	46	234	234	145	129	1,196
YDU 10	510	453	452	418	390	350	317	352	335	338	346	404	4,665
YDU 11	1,095	993	1,133	676	860	837	887	842	929	910	1,271	755	11,188
YDU 12	2,236	1,974	2,016	2,119	2,313	2,372	2,388	2,364	2,372	2,151	2,039	1,619	25,965
YDU 13	662	683	779	848	783	772	820	777	547	518	747	883	8,829
YDU 14	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 15	434	186	212	630	595	579	615	583	554	541	756	900	6,485
YDU 16	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 17	662	704	802	769	524	510	541	513	561	557	-	412	6,545
YDU 18	96	223	265	228	170	261	257	261	234	239	223	230	2,677
YDU 20	511	456	545	562	561	530	526	525	491	472	591	580	6,380
YDU 21	535	517	516	502	620	357	557	580	816	316	666	935	6,917
YDU 22	548	559	637	663	578	563	598	567	432	437	384	389	6,355
YDU 23	516	464	510	463	556	449	477	446	512	562	460	402	5,837
YDU 24	445	396	432	397	438	409	433	414	384	441	395	407	4,991
YDU 25	1,979	1,903	2,083	2,009	1,950	1,997	1,997	1,939	1,662	1,549	1,492	1,540	22,152
YDU 26	566	548	642	1,151	1,073	961	931	969	555	692	578	238	8,824
YDU 28	234	217	239	288	271	293	296	314	273	47	80	162	2,714
YDU 29	323	284	247	336	341	330	335	361	344	364	324	324	3,913
YDU 30	1,409	1,355	1,482	1,429	1,459	1,387	1,422	1,381	2,009	1,768	1,701	1,756	18,558
YDU 31	174	117	104	124	74	130	232	235	227	242	213	153	2,025
YDU 32	1,347	1,295	1,417	1,366	1,394	1,327	1,358	1,319	1,247	1,557	1,499	1,546	16,672
YDU 33	1,268	1,220	1,334	1,266	1,312	1,249	1,279	1,242	839	758	729	753	13,269
YDU 34	161	145	169	189	185	105	119	254	275	240	196	200	2,238
YDU 36	852	774	785	847	828	859	861	966	972	918	873	870	10,415
YDU 37	1,658	1,504	1,526	1,847	1,608	1,670	1,714	1,617	1,490	1,506	1,432	1,428	18,800
YDU 38	4,479	3,997	4,087	3,851	3,206	3,709	3,467	3,445	3,394	3,322	3,154	3,147	43,258
YD 3 FED 01	-	-	-	-	-	-	-	-	-	-	-	-	-
YD 3 FED 02	128	470	570	466	54	29	56	755	722	819	146	108	4,323
YD 3 FED 04	-	-	-	-	-	433	582	122	112	118	32	118	1,517
YD 3 FED 05	857	227	305	357	918	795	890	428	369	47	684	799	6,676
YD 4 FED 02	1,582	1,478	1,475	1,297	1,194	1,071	1,039	1,080	976	1,135	845	1,132	14,304
YD 4 FED 03	1,546	1,431	1,609	1,579	1,668	1,504	1,618	1,577	1,509	1,462	1,350	1,391	18,244
	31,944	29,176	31,308	31,060	31,159	30,503	31,379	30,997	29,798	28,974	27,542	28,186	362,006

YOUNG DEEP UNIT 2004 ANNUAL WATER PRODUCTION

	1	2	3	4	5	6	7	8	9	10	11	12	Grand Total
YDU 01	225	251	259	178	234	288	221	215	203	200	154	140	2,568
YDU 02	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 04	1,190	1,055	1,617	1,299	1,800	1,296	670	1,388	1,204	962	321	-	12,802
YDU 05	26,205	22,169	21,671	23,488	24,717	22,468	26,564	25,510	23,794	25,299	25,665	21,964	288,514
YDU 06	-	-	-	-	-	-	-	-	23	110	-	-	133
YDU 07	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 08	1,441	659	794	1,445	1,289	1,281	666	915	1,267	5,931	1,259	612	17,579
YDU 09	39	16	23	39	37	30	18	24	46	187	26	10	495
YDU 10	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 11	348	51	43	12	90	65	34	69	39	31	22	-	804
YDU 12	3	5	-	1	-	4	-	1	1	-	1	-	18
YDU 13	16	45	38	32	-	-	-	-	55	43	32	265	526
YDU 14	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 15	40	64	-	-	-	-	-	-	243	194	139	82	762
YDU 16	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 17	65	19	16	46	19	14	7	15	53	44	127	333	758
YDU 18	96	12	81	33	99	36	81	6	51	69	21	21	608
YDU 20	49	41	58	68	115	56	71	74	69	91	71	38	801
YDU 21	1,734	1,910	2,300	2,373	1,823	1,161	1,003	1,338	2,523	3,940	1,725	1,469	23,289
YDU 22	16	-	-	-	-	-	-	-	-	-	8	-	24
YDU 23	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 24	19	24	24	19	18	21	19	18	16	20	19	19	236
YDU 25	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 26	13	7	-	-	-	-	-	-	-	-	-	-	20
YDU 28	521	417	593	431	521	400	517	401	353	49	282	259	4,744
YDU 29	102	33	135	36	66	42	106	15	29	21	33	16	634
YDU 30	15	-	-	-	-	-	-	-	-	-	-	-	16
YDU 31	-	-	-	-	-	-	-	-	-	-	-	-	-
YDU 32	-	23	10	-	-	-	-	-	-	-	-	-	33
YDU 33	-	-	-	1	24	12	-	-	-	10	-	23	70
YDU 34	840	730	918	1,056	1,166	1,230	1,283	984	857	777	590	631	11,062
YDU 36	15	9	24	12	12	18	21	-	-	-	-	-	111
YDU 37	-	-	-	-	-	-	-	3	36	12	18	15	84
YDU 38	32	1	2	-	-	-	-	-	-	-	-	-	36
YD 3 FED 01	13,141	10,806	10,338	11,145	11,386	9,630	15,160	16,314	15,526	13,881	12,970	10,150	160,447
YD 3 FED 02	2,386	-	-	-	3,690	534	817	3,558	3,889	4,683	4,642	2,211	26,410
YD 3 FED 04	-	-	-	-	-	7,447	7,869	2,302	2,430	2,708	750	1,776	25,282
YD 3 FED 05	-	1,864	914	1,615	943	219	193	2,877	2,841	380	97	73	12,016
YD 4 FED 02	10	5	6	12	-	-	-	-	-	-	-	-	33
YD 4 FED 03	12	69	15	111	12	63	42	51	30	18	9	12	444
TOTALS	48,573	40,285	39,879	43,452	48,061	46,315	65,382	66,078	65,578	69,660	48,981	40,119	682,363

Well Name	API #	Unit - Sec - Twp - R	Qtr Ctr	Footage	Remarks
Young Dp Unit #01	30-025-26640	D-10-18S-32E	NW NW	660' FNL & 660' FWL	
Young Dp Unit #02	30-025-27121	C-10-18S-32E	NE NW	660' FNL & 1980' FWL	Shut in 10/1997
Young Dp Unit #03	30-025-27229	G-10-18S-32E	SW NE	1980' FNL & 1980' FEL	P&A 12/04/1984
Young Dp Unit #04	30-025-27300	H-09-18S-32E	SE NE	1980' FNL & 660' FEL	
Young Dp Unit #05	30-025-27336	B-10-18S-32E	NW NE	660' FNL & 1980' FEL	Injection Well
Young Dp Unit #06	30-025-27477	N-03-18S-32E	SE SW	660' FSL & 1980' FWL	
Young Dp Unit #07	30-025-27547	M-03-18S-32E	SW SW	660' FSL & 660' FWL	
Young Dp Unit #08	30-025-27535	A-09-18S-32E	NE NE	660' FNL & 860' FEL	
Young Dp Unit #09	30-025-28400	L-03-18S-32E	NW SW	1980' FSL & 660' FWL	
Young Dp Unit #10	30-025-28473	K-03-18S-32E	NE SW	2080' FSL & 1980' FWL	
Young Dp Unit #11	30-025-28793	F-09-18S-32E	SE NW	1650' FNL & 1980' FWL	
Young Dp Unit #12	30-025-30866	I-04-18S-32E	NE SE	1650' FSL & 330' FEL	
Young Dp Unit #13	30-025-28966	C-09-18S-32E	NE NW	660' FNL & 1980' FWL	
Young Dp Unit #14	30-025-29015	B-09-18S-32E	NW NE	660' FNL & 1980' FEL	P&A 1/24/2004
Young Dp Unit #15	30-025-29046	G-09-18S-32E	SW NE	1650' FNL & 1980' FEL	
Young Dp Unit #16	30-025-29047	E-09-18S-32E	SW NW	1980' FNL & 660' FWL	Injection Well - Temporarily Abandoned
Young Dp Unit #17	30-025-29060	D-09-18S-32E	NW NW	660' FNL & 660' FWL	
Young Dp Unit #18	30-025-31359	K-09-18S-32E	NE SW	1980' FSL & 1980' FWL	
Young Dp Unit #19	30-025-29278	B-9-18S-32E	NW NE	330' FNL & 1980' FEL	Dry Hole
Young Dp Unit #20	30-025-30866	I-04-18S-32E	NW SW	2310' FSL & 660' FWL	
Young Dp Unit #21	30-025-32288	K-03-18S-32E	NE SW	1330' FSL & 1330' FWL	
Young Dp Unit #22	30-025-29253	M-04-18S-32E	SW SW	660' FSL & 660' FWL	
Young Dp Unit #23	30-025-29896	J-09-18S-32E	NW SE	2310' FSL & 1980' FEL	
Young Dp Unit #24	30-025-30783	E-10-18S-32E	SW NW	1650' FNL & 660' FWL	
Young Dp Unit #25	30-025-33173	D-10-18S-32E	NW NW	100' FNL & 310' FWL	
Young Dp Unit #26	30-025-30952	F-10-18S-32E	SE NW	1650' FNL & 1650' FWL	
Young Dp Unit #27	30-025-30976	J-04-18S-32E	NW SE	1650' FSL & 1650' FEL	P&A 12/15/1993
Young Dp Unit #28	30-025-31048	P-09-18S-32E	SE SE	330' FSL & 990' FEL	
Young Dp Unit #29	30-025-31299	K-10-18S-32E	NE SW	2310' FSL & 1650' FWL	
Young Dp Unit #30	30-025-33174	C-10-18S-32E	NE NW	100' FNL & 1330' FWL	
Young Dp Unit #31	30-025-31093	I-09-18S-32E	NE SW	1980' FSL & 660' FEL	
Young Dp Unit #32	30-025-33315	C-10-18S-32E	NE NW	990' FNL & 1650' FWL	
Young Dp Unit #33	30-025-33462	M-03-18S-32E	SW SW	1310' FSL & 250' FWL	
Young Dp Unit #34	30-025-31467	O-09-18S-32E	SW SE	330' FSL & 1915' FEL	
Young Dp Unit #35	30-025-31596	N-09-18S-32E	SE SW	330' FSL & 2310' FWL	P&A 6/12/1992

Young Dp Unit #36	30-025-33642	A-09-18S-32E	NE NE	70' FNL & 1310' FEL	
Young Dp Unit #37	30-025-33643	B-09-18S-32E	NW NE	70' FNL & 2630' FEL	
Young Dp Unit #38	30-025-33864	B-10-18S-32E	NW NE	100' FNL & 2310' FEL	
Young Dp Unit 3 Fed #1	30-025-27369	O-03-18S-32E	SW SE	660' FSL & 1980' FEL	Injection Well
Young Dp Unit 3 Fed #2	30-025-28907	P-03-18S-32E	SE SE	660' FSL & 660' FEL	Shut in 3/1998
Young Dp Unit 3 Fed #3	30-025-27534	J-03-18S-32E	NW SE	1980' FSL & 1980' FEL	P&A 8/6/1993
Young Dp Unit 3 Fed #4	30-025-28481	O-03-18S-32E	SW SE	1200' FSL & 1650' FEL	
Young Dp Unit 3 Fed #5	30-025-28718	I-03-18S-32E	NE SE	1980' FSL & 1650' FEL	
Young Dp Unit 4 Fed #1	30-025-26813	O-04-18S-32E	SW SE	660' FSL & 1980' FEL	P&A 8/8/1996
Young Dp Unit 4 Fed #2	30-025-27679	P-04-18S-32E	SE SE	660' FSL & 660' FEL	
Young Dp Unit 4 Fed #3	30-025-29268	N-04-18S-32E	SE SW	660' FSL & 1980' FWL	

WELLS DISBURSED SEPARATELY

WELLS GOING TO BATTERY NO. 1

WELLS GOING TO BATTERY NO. 11

PARTICIPATING AREAS

#2 - Shut in

#6 **

#7 **

#8 **

#9

#10

#21

#26 **

4 FED #2 **

WOLFCAMP:

Young Deep Unit #1

DELAWARE:

Young Deep Unit #28

Young Deep Unit #34

BONE SPRING:

All other Young Deep Unit wells

** Note: these wells are in the battery, but disbursed on individual decks.

WELLS IN THE #36 BATTERY

#36 & #37

WELLS GOING TO THE 4 FEDERAL 1 BATTERY

4 FED #3

- #01 - Wolfcamp
- #07 - Non-consent
- #12
- #18 - Non-consent
- #20 - Non-consent
- #23 - Non-consent
- #24 - Non-consent
- #25
- #28 - Delaware
- #29 - Non-consent
- #30 - Non-consent
- #31 - Non-consent
- #32 - Non-consent
- #33 - Non-consent
- #34 - Delaware
- #35
- #36 - Non-consent
- #37 - Non-consent
- #38