Rushing NJ Deep Com #3 Township 19 South, Range 25 East Section 6: E/2 Eddy County, New Mexico

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Timeline for Contact/Correspondence for Billy J. Walcott (Dec.)

- 12-17-04 Well proposal for the Rushing NJ Deep Com #3 sent via Certified Mail To: Billy J. Walcott (Dec.) C/o Bobby Walcott (brother) 8211 New Hampshire St. NE Albuquergue, NM 87110-2424
- 12-23-04 Return receipt signed by Bob Walcott
- 1-27-05 Phone conversation with Bob Walcott. I was informed that Billy J. Walcott is deceased, having no wife or children. He suggested that I contact either sister, Gail Scroggins (Alamogordo) or Patsy Whitlock (San Jose, California).
- 1-28-05 Phone conversation with Gail Scroggins. Ms Scroggins is a sister to Billy J. Walcott (Dec.), also an unleased mineral owner. Ms. Scroggins expressed her interest to lease her minerals rather than participate in the drilling of the Rushing NJ Deep Com #3. Ms. Scroggins provided no further information concerning the estate of Billy J. Walcott, suggested that I contact another sister, Patsy Whitlock, in San Jose, California.
- 1-31-05 Letter sent to Patsy Whitlock, certified mail, return receipt. Being unable to locate phone number for Ms. Whitlock (a leased mineral Owner) letter was written in an effort to locate further information concerning the death, will, or estate of Billy J. Walcott.
- 2-3-05 Return receipt signed by Patsy Whitlock.
- 2-8-05 Letter received from Patsy Whitlock.
 Included the death certificate of Billy J. Walcott.
 Billy J. Walcott was never married, had no children, and he left no will.

BEFORE THE OIL CONCERVATION DIVISION Santa Fe, New Mexico Case No. 13461 Exhibit No. 3 Submitted by: <u>Yates Petroleum Corporation</u> Hearing Date: April 7, 2005 MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986

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S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY TREASURER

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

December 17, 2004

Working Interest Owners Addressee List Attached

CERTIFIED MAIL RETURN RECEIPT REQUESTED

RE: **Rushing NJ Deep Com #3 well** <u>Township 19 South, Range 25 East, NMPM</u> Section 6: E/2 Eddy County, New Mexico

Ladies and Gentlemen:

Yates Petroleum Corporation, as operator, proposes to drill the captioned well pursuant to the prognosis on the Authority for Expenditure (AFE) and invites you to participate.

Enclosed please find two (2) copies of an AFE and one (1) copy of the Joint Operating Agreement (JOA), with one (1) additional signature page, covering the E/2 of Section 6 in Township 19 South, Range 25 East.

If the AFE and JOA meet with your approval, please sign and return one (1) executed copy of the AFE and the executed and notarized signature page of the JOA to our Office.

Yates Petroleum Corporation requests that you pre-pay your proportional interest of the dry hole cost in the amount of \$767,000.00 for this well pursuant to Paragraph VII C, Payment and Accounting, of the referred Joint Operating Agreement. Please note on your check that you are pre-paying for the specific well above.

Should you have any questions, please do not hesitate contacting me at 505 748 4400.

Thank you.

Very truly yours,

Yates Petroleum Corporation

Susan Vierra Associate Landman

SV/am Enclosure(s)

Cc: Tom Kelly Yates Petroleum Corporation Yates Petroleum Corporation, etal Attn: Susan Vierra 105 South Fourth Street Artesia, NM 88210

Andrews Oil, LP Attn: David Andrews 2219 Westlake Dr. #150 Austin, TX 78746-29003

P.O. Box 2424 Hobbs, NM 88240

CBF Company C/o Dixie Edwards Wells Fargo Bank P.O. Box 1968 Albuquerque, NM 78103

ADDRESSEE LIST RUSHING NJ DEEP COM #3

Principal Properties
 Attn: Doug Laufer
 4425 S. Mopac, Bldg. II, Ste. 103
 Austin, TX 78735

Sian Properties Attn: Dick Schmidt P.O. Box 50187 Austin, TX 79763

Mumford & Company Attn: Jean E. Mumford P.O. Box 144 Hobbs, NM 88240

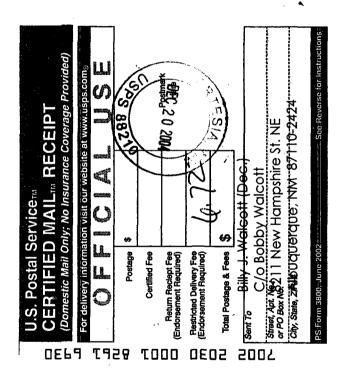
Billy J. Walcott (Dec.)
 C/o Bobby Walcott
 8211 New Hampshire St. NE
 Albuquerque, NM 87110-2424

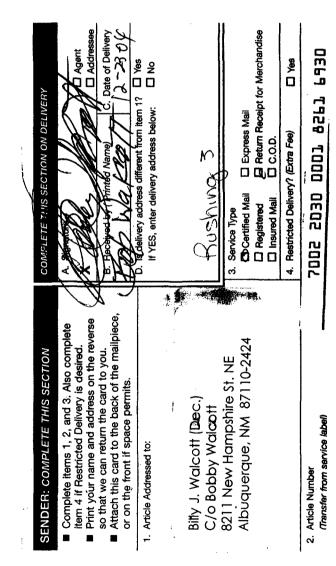
Gold Coast Resources, Inc. Attn: Brian Wolfe 1145 Dove Meadow Rd. Solvang, CA 93463

E.L. Latham Company Attn: E.L. Latham, Jr. P.O. Box 1392 Hobbs, NM 88240

Jose WN W.R. & Wanda Ericksen P.O. Box 1109 -70 Hobbs, NM 88240

Gail Scroggins Rocket Mobil Village, Lot B-14 Alamogordo, NM 88310





MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY TREASURER

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

January 31, 2005

Patsy Whitlock 4914 Rio Vista Avenue San Jose, California 95129 CERTIFIED MAIL RETURN RECEIPT REQUESTED

RE: <u>Township 19 South, Range 25 East, NMPM</u> Section 6 Eddy County, New Mexico

Dear Ms. Whitlock:

Yates Petroleum Corporation, as operator, plans to drill a well in the above captioned area. All mineral interest owners, including your minerals, have been leased to us with the exception of Gail Scroggins and Billy J. Walcott, Dec. I have been in contact with Ms. Scroggins in an effort to either lease or buy her minerals, and Bobby Walcott as a contact for the mineral interest of Billy J. Walcott, Dec.

I am writing this letter in an effort to locate the title owner of the mineral estate of Billy J. Walcott, Dec. Family members, Bobby Wolcott of Albuquerque, New Mexico and Gail Scroggins of Alamogordo, New Mexico have informed me that you might know of the former Mr. Walcott's estate.

It is my understanding that Mr. Walcott died, leaving no spouse, children, or will. Should you have any information concerning his mineral estate, please contact me at your earliest convenience.

As previously stated, Yates Petroleum Corporation intends to drill and said mineral interest will have to be force pooled until this issue can be resolved.

I am unable to locate your phone number and would greatly appreciate any information you can provide. I can be reached at 505 748 4400.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Susan Vierra Associate Landman

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attacted is card to the back of the maliplece, or card both points. 	B. Received by (Printed Name)		
Artic beed to: Pate Ditlock 4914 Rio Vista Ave.	D. Is delivery address different from item 1? If YES, enter delivery address below: No No Walcoth		
San Jose, CA 95129	3. Service Type D Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.		
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2004 2510 0003 2913 658]		

PS Form 3811, February 2004

Domestic Return Receipt

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510	(Endorsement Required))
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1002	Sent To Patsy Whitlock Street, Apt. NG914 Rio Vista Ave: or Po Bax Na City, State, Zip Sin Jose, CA. 95129	
i	PS Form 3800, June 2002 See Reverse for Inc.	structions



Patsy Whitlock

4914 Rio Vista Ave San Jose,CA 95129 408-243-8087 RECEIVED

FEB: 0.8 2005

February 5, 2005

Yates Petroleum Corp 105 South Fourth St Artesia, New Mexico 88210-2118

Susan Vierra

Associate Landman

Enclosed is the Death Certificate of Billy J. Walcott. He didn't leave a will. No probate.

Sincerely,

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Patsy Whitlock

CERTIFICATION OF VITAL RECORD

COUNTY OF SANTA CLARA HEALTH DEPARTMENT 2220 MOORPARK AVE., SAN JOSE, CALIFORNIA 95128

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BY This is a true and exact reproduction of the document officially registered and placed on the in the VITAL RECORDS SECTION, DEPARTMENT OF PUBLIC HEALTH,

COUNTY OF SANTA CLARA

Syphon A long 7.0

STEPHEN A: CORAY, MD HEALTH OFFICER AND LOCAL REGISTRAR OF BHTHS AND DEATHS

THIS CENTIFICATE

This copy not valid unless prepared on engraved border displaying seal and signature of Registrar.

ANY ALTERATION OR ERASURE

DATE ISSUED