

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



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

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

October 13, 2004

Via Federal Express

Pride Energy Company
Attn: John W. Pride
Kensington Tower
2250 East 73rd Street, Suite 550
Tulsa, OK 74136

10/13/04 Sent To: PRIDE ENERGY CO
Man# 2 Trk# 636710419990
SHPR: TAMMY V. DV:
FEXP PL Base Chrg: 14.54
WT: 0.2 lbs Total Chrgs: 14.54

RE: State "X" #1 a/k/a Limbaugh AYO State #1
Township 12 South, Range 34 East, N.M.P.M.
Section 12: 1,980' FNL & 660' FWL
Lea County, New Mexico

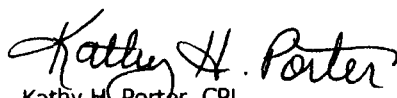
Dear Mr. Pride:

Yates Petroleum Corporation, Yates Drilling Company, Myco Industries, Inc. and Abo Petroleum Corporation submit the enclosed Authority for Expenditure and checks under protest and in no manner waive any rights to pursue their legal rights, and appeals thereof, of New Mexico Oil Conservation Division Order R-12108-A. The enclosed executed AFE and moneys are being tendered as a protective measure to comply with the time frames contained in the current Order to avoid being considered as not participating under Order R-12108-A. The Yates Petroleum Corporation, Yates Drilling Company, Myco Industries, Inc. and Abo Petroleum Corporation reserve the right to demand timely repayment of this money in the event that the Order is ultimately reversed.

If you have any questions, please contact Chuck Moran at 505-748-4349.

Very truly yours,

YATES PETROLEUM CORPORATION


Kathy H. Porter, CPL
Land Manager

/tv
Enclosure(s)

AFE		
Yates Petroleum Corporation	Check #101173	\$263,653.21
Yates Drilling Company	Check #32367	\$ 37,664.74
Myco Industries, Inc.	Check #22095	\$ 37,664.74
Abo Petroleum Corporation	Check #26570	<u>\$ 37,664.74</u>
		\$376,647.43

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 13531 Exhibit No. 4
Submitted by:
Yates Petroleum Corporation
Hearing Date: January 5, 2006

Cc: Mark Fesmire, P. E.
New Mexico Oil Conservation Division
1211 South Saint Francis Drive
Santa Fe, New Mexico 87505

William F. Carr, Esquire
Holland & Hart & Campbell
110 North Guadalupe, Suite 1
P. O. Box 2208 87504-2208
Santa Fe, New Mexico 87501

James Bruce, Esquire
P. O. Box 1056
Santa Fe, New Mexico 87504-1056

CODE	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT PAYABLE
1	FORCE POOLING AFE	10/04	263653.21	.00	263653.21
			TOTAL FOR CHECK		263653.21

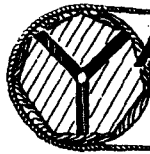
CODES

1 - YOUR INVOICE
2 - YOUR CREDIT MEMO

THE ATTACHED CHECK IS IN FULL SETTLEMENT OF INVOICES LISTED ABOVE.
PLEASE DETACH THIS VOUCHER BEFORE DEPOSITING CHECK. NO RECEIPT NECESSARY.

Bank of America

32-2
1110



**ARTES
PETROLEUM
CORPORATION**

(505) 748-1471
105 SOUTH 4TH STREET
ARTESIA, NEW MEXICO - 88210

101173

DATE 10/12/2004 VENDOR NO. 718537

*****263.653DOLLARS**21CENTS

PAY TO THE ORDER OF:

PRIDE ENERGY COMPANY
PO BOX 701950
TULSA

OR 74170 1950

AMOUNT

*****263.653.21

Tom Kelly
John J. Stephens

⑈101173⑈ ⑆111000025⑆ 004790751021⑈

YATES BUILDING - 106 SOUTH 4TH
ARTESIA, NEW MEXICO - 88210

32367

LINE	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT PAYABLE
1	STATE X #1	10/04	37664.74	.00	37664.74
TOTAL FOR CHECK					37664.74

CODES
1 - YOUR INVOICE
2 - YOUR CREDIT MEMO

THE ATTACHED CHECK IS IN FULL SETTLEMENT OF INVOICES LISTED ABOVE.
PLEASE DETACH THIS VOUCHER BEFORE DEPOSITING CHECK. NO RECEIPT NECESSARY.



YATES DRILLING COMPANY 32367

YATES BUILDING - 106 SOUTH 4TH STREET
ARTESIA, NEW MEXICO - 88210
(505) 748-1471

DATE 10/13/2004 VENDOR NO. 718537

*****37,664 DOLLARS***74 CENTS

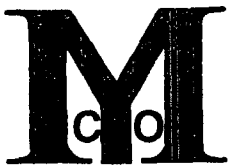
PAID TO THE ORDER OF:

PRIDE ENERGY COMPANY
PO BOX 701950
TULSA OK 74170 1950

AMOUNT
*****37,664.74

[Signature]

⑈032367⑈ ⑆111000025⑆ 004790751018⑈



MYCO INDUSTRIES, INC.
OIL PRODUCERS

POST OFFICE BOX 840 • ARTESIA, NEW MEXICO 88211-0840

95-43

1122

22095

DATE October 12, 20 04

PAY REGISTERED 1907409 37.664 DOLS 74 CTS \$ 37,664.74

TO THE
ORDER
OF

Pride Energy Company
P.O. Box 701950
Tulsa, OK 74170-1950

MYCO INDUSTRIES, INC.

BY Sharon Snowden

TO

FIRST NATIONAL BANK
ARTESIA, NEW MEXICO

⑆112200439⑆

⑈48812710⑈

DETACH BEFORE DEPOSITING CHECK

From Myco Industries, Inc. — Artesia, New Mexico 88211-0840

THE ATTACHED CHECK IS TENDERED IN FULL
SETTLEMENT OF THE ITEMS LISTED HEREON

22095

DATE	DESCRIPTION	AMOUNT
OCT. 12, 2004	Force Pooling AFE State X #1	\$37,664.74

ABO PETROLEUM CORPORATION

26570

YATES BLDG. • 105 SOUTH 4TH • AR • NEW MEXICO 88210

CODE	INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	DISCOUNT	NET AMOUNT PAYABLE
kp	State X #1 10/12/04	10/04	37,664.74		\$37,664.74

CODES

- 1 - YOUR INVOICE
- 2 - YOUR CREDIT MEMO

THE ATTACHED CHECK IS IN FULL SETTLEMENT OF INVOICES LISTED ABOVE.
PLEASE DETACH THIS VOUCHER BEFORE DEPOSITING CHECK. NO RECEIPT NECESSARY.

APC

ABO PETROLEUM CORPORATION

26570

(505) 748-1471

YATES BLDG. • 105 SOUTH 4TH • ARTESIA, NEW MEXICO 88210

VALLEY BANK OF COMMERCE
ROSWELL, NEW MEXICO

95-312
1122

718537

ABO PETROLEUM
CORP.

37664 DOLS 74 CTS

PAY TO THE ORDER OF: PRIDE ENERGY COMPANY
PO BOX 701950
TULSA OK 74170-1950

DATE OF CHECK

10 / 12 / 04

AMOUNT

37,664.74*****

John A. Yates

⑈026570⑈ ⑆112203122⑆ 001058355⑈

DR - RECOMPLETION

Page 4:

to 5820'. Could not get over fish. TOOH with
overshot. Had 2 x 6' sliver of metal in shoe. Put 7-
7/8" guide shoe on overshot. TIH. DC \$17,690; CC
\$753,295.

3-6-05 TD 10,421'. Could not get over fish with overshot.
TOOH. TIH with collars and drill pipe openended to
5700'. Rigged up WL. TIH with fiss finder log. Found
top of drill pipe at 5812'. Sat down at 5818'. TOOH
with drill pipe and drill collars. TIH with concave
mill. Tagged at 5818'. Milled to 5820'. TOH with 7-
7/8" mill. Started in hole with new 7-7/8" mill. DC
\$24,490; CC \$753,295.

3-7-05 TD 10,421'. Finished in hole to 4500'. Shut rig down.
Repaired brakes. Finished in hole with mill. Made 3".
TOOH with mill. Put on concave mill with different
pattern. TIH. DC \$16,750; CC \$233,145.

3-8-05 TD 10,421'. TIH with mill. Tagged at 5822'. Milled
to 5826'. TOH - appeared to be milling on 3-1/2"
tubing. TIH with 7-7/8" overshot with 3-1/2" grapple.
Could not get over fish. TOH. Laid down collars.
Shut down for day. Wait on orders. DC \$22,330; CC
\$255,475

3-9-05 TD 10,421'. TIH with drill pipe. Laid down 182 joints
3-1/2" drill pipe. Rigged down pumps and equipment.
Closed well in for night. DC 419,600; CC \$275,075

3-10-05 TD 10,421'. Rigging down equipment. String rig back
to 6 lines. Load out pipe and equipment. Rigged down
rig and moved off location. All rentals released.
***Rig released on 3-10-05. DC \$9935; CC \$285,010**

3-16-05 Moved in and rigged up. Installed BOP. TIH with 2-
7/8" tubing to 5804'. Closed well in for night. DC
\$3855; CC \$288,865

3-17-05 Opened well and circulated 650 bbls FSW. Displaced mud
to 5800'. Closed well in for night. DC \$4160; CC
\$293,025

3-18-05 Opened well. Laid down 50 joints 2-7/8" tubing.
Rigged down. DC \$1230; CC \$294,255

3-20-22-05 No report.

3-23-05 Opened well. TIH with tubing to 5808'. Did not tag
plug. TOH with 50 joints. Closed well in. Rigged
down. DC \$1230; CC \$295,485

3-24-25-05 No report.

3-26-05 Move in and rig up well service rig, TIH with 49 joints
2-7/8" tubing. Bottom of tubing at 5765'. Break circ,
pump 15 bbls flush, 250 sxs Class H plug, 15 bbls fresh
water, displace with 31 bbls FSW. TOH with 25 stands
tubing. Reverse 30 bbls, pull 2 joints. DC \$8475; CC
\$303,960

3-27-05 Open well. TIH with tubing to 5428'. Tag cement plug.
TOH, lay down tubing, remove BOP, install well flange.
Rig down. DC \$6825; CC \$310,785

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 13531 Exhibit No. 5
Submitted by:
Yates Petroleum Corporation
Hearing Date: January 5, 2006