



HARVEY E. YATES COMPANY

A MEMBER COMPANY OF HEYCO ENERGY GROUP

February 28, 2006

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

Attention: Sr. Petroleum Geologist

Re: PLAN OF DEVELOPMENT
& OPERATIONS, 2006
RICHARDSON UNIT
T-13 & 14S, R-36E, N.M.P.M.
Lea County, New Mexico

2006 MAR 6 PM 12 45

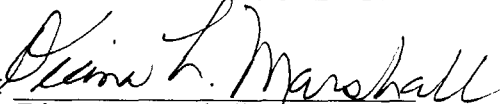
Ladies & Gentlemen:

Attached is a copy of the 2006 Plan of Development and Operation for the Richardson Unit, with pertinent enclosures, which has been submitted to the Commissioner of Public Lands for approval.

Harvey E. Yates Company respectfully requests your approval of this 2006 Plan of Development.

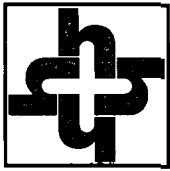
Very truly yours,

HARVEY E. YATES COMPANY

By: 
Diana L. Marshall, Land

/dlm
Enclosures

Richardsonpodocd2006.doc/Land:Richardson



HARVEY E. YATES COMPANY

A MEMBER COMPANY OF HEYCO ENERGY GROUP

February 28, 2006

New Mexico Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Pete Martinez

Re: 2006 PLAN OF DEVELOPMENT
AND OPERATIONS
RICHARDSON UNIT
T-13 & 14S, R-36E, N.M.P.M.
Lea County, New Mexico

Ladies & Gentleman:

As prescribed by Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company (HEYCO), as Operator, hereby submits this 2006 Plan of Development and Operations, in triplicate.


There is one (1) producing well in the Unit, being the Richardson Unit #1. HEYCO has prepared and attached hereto, the 2005 production report for the well and a plat of the Unit indicating the location of the well.

The Richardson Unit #1 well was completed to the plugged back depth of 13,393' as a producing well on November 10, 1982, but we were unable to connect the well to a pipeline until late 1984. The well is still producing. The Richardson Fee #2 well was drilled as a southeast offset to the Unit and was a dry hole; however, it was converted to a water disposal well in 1983. Another well drilled in the area was the Richardson Fee #1 well, a south offset to the Richardson Unit #1, which was completed in February, 1982 in the Austin formation, flowing from 13,335', and is still producing in minimum quantity at this time. A fourth well drilled in the area was also an offset to the Unit and was completed to the plugged back depth of 10,445' as a Bough "C" oil well, but has since been plugged without paying out the cost of drilling and producing of the well.

HEYCO, in 2004, worked over the Austin Monteith Com. #1 well located in the W/2 Section 8 to the south of the Unit without a lot of success, but in 2005 HEYCO worked over the Richardson Fee #1 well located in the NW/4 Section 5, a south offset to the Richardson Unit #1, and re-completed the well in the Wildcat Wolfcamp Formation. HEYCO is now evaluating this well before making any additional plans as the original plan was to progress north with the workover from the Austin Monteith Com #1 well to the Richardson Fee #1 and then into the Unit for a workover of the Richardson Unit #1 or a new well. HEYCO at this time, with the re-completion of the Richardson Fee #1, has not changed the plan, but is waiting for additional data from the Richardson Fee #1.

Based on the information submitted herewith, HEYCO respectfully requests that the Commissioner of Public Lands approve this 2006 Plan of Development and Operation.

Sincerely,


Vernon D. Dyer, EPL #3174
Senior Landman, Permian Basin

VDD/dlm
Enclosures
RichardsonUnitPOD2005.doc/Land:Richardson

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

Richardson Unit #1 (only well in Richardson Unit)
Unit M, Section 32 - Township 14 South - Range 36 East
API # 30-025-27783
Lea County, New Mexico

***** P R O D U C T I O N *****

Month	Oil	Gas	Water
Jan-05	20	1,865	3
Feb-05	25	1,592	2
Mar-05	13	1,850	7
Apr-05	25	1,490	7
May-05	7	1,753	3
Jun-05	12	1,388	2
Jul-05	10	1,810	-
Aug-05	5	651	-
Sep-05	-	693	-
Oct-05	27	1,314	6
Nov-05	15	1,396	-
Dec-05	23	801	7
2005	182	16,603	37

RICHARDSON UNIT

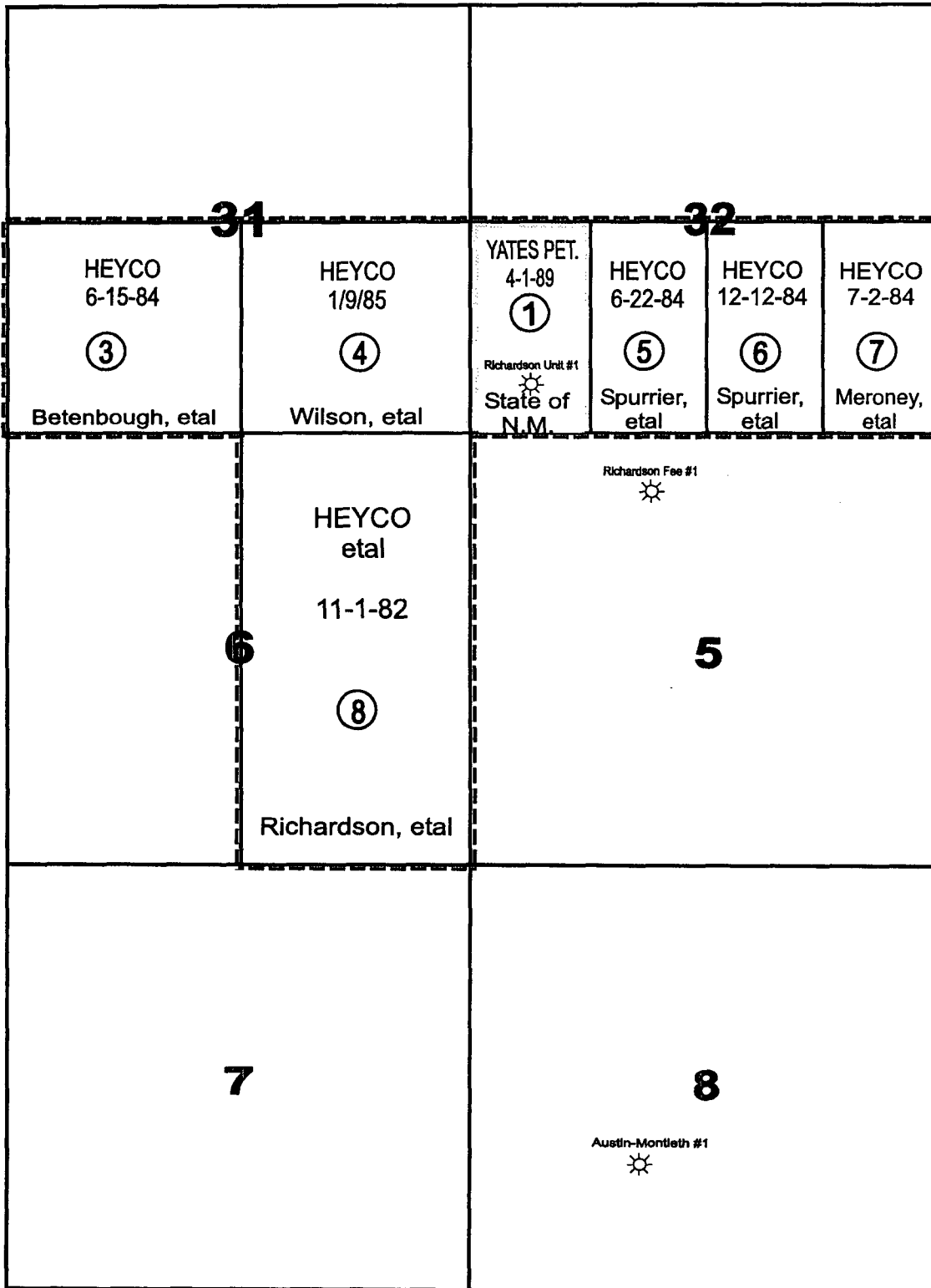
LEA COUNTY, NEW MEXICO

EXHIBIT "A"

R - 36 - E

T
13
S

T
14
S



STATE OF NEW MEXICO LANDS:
80.0 ACRES, 8.324489% OF UNIT AREA



PATENTED (FEE) LANDS:
881.02 ACRES, 91.675511% OF UNIT AREA



UNIT OUTLINE



TRACT NUMBER

961.02 REMAINING UNIT ACRES. (7 TRACTS)