

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF HARVEY E. YATES
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case No. 13,999

AFFIDAVIT OF VERNON D. DYER

COUNTY OF SANTA FE)
) ss.
STATE OF CHAVES)

Vernon D. Dyer, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a landman for Harvey E. Yates Company.
3. I have examined materials from Ernst & Young and COPAS regarding overhead rates. The latest Ernst & Young pamphlet gave the following overhead rates in Lea County:

(a) The rates for a drilling well with depths between 10,001'-15,000' are:

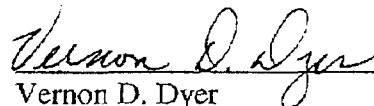
- | | | |
|-------|----------|---------|
| (i) | Minimum: | \$600 |
| (ii) | Average: | \$5,430 |
| (iii) | Median: | \$6,641 |
| (iv) | Maximum: | \$7,839 |

Harvey E. Yates Company requests a rate of \$6,800.

(b) The rates for a producing well with depths of between 10,001'-15,000' are:

- | | | |
|-------|----------|---------|
| (i) | Minimum: | \$500 |
| (ii) | Average: | \$725 |
| (iii) | Median: | \$664 |
| (iv) | Maximum: | \$1,071 |

Harvey E. Yates Company requests a rate of \$680.


Vernon D. Dyer

Oil Conservation Division
Case No. 6
Exhibit No.

SUBSCRIBED AND SWORN TO before me this 2 day of October, 2007 by Vernon
D. Dyer

My Commission Expires: 2/7/08

Dianne G. Woodard
Notary Public