



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

RECEIVED AUG 08 2007

IN REPLY
REFER TO:
NMNM-94469X
3180 (051300)

AUG 07 2007

Harvey E. Yates Company
Attn: Vernon D. Dyer
P.O. Box 1933
Roswell, New Mexico 88202-1933

Gentlemen:

A copy of the Expanded Bennett Ranch Unit Area, Otero County, New Mexico is enclosed.
Such agreement is hereby approved on this date and has been assigned No. NMNM-94469X.

With the expansion of the Bennett Ranch Unit Area, Otero County the unit is now described as follows:

T. 26 S., R. 12 E., Otero County, New Mexico, NMPM

Secs. 1, 2 and 3;
Secs. 10 thru 15;
Secs. 22 thru 27;
Secs. 35 and 36.

T. 26 S., R. 13 E., Otero County, New Mexico, NMPM

Secs. 18 and 19;
Secs. 30 and 31.

(Containing 11637.09 acres more or less)

Approval of the agreement does not warrant or certify that the operator thereof and the other working interest owners hold legal or equitable title to the leases which are committed hereto.

Oil Conservation Commission
Case No. 5
Exhibit No. 5

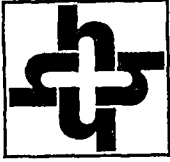
HE4CO

Sincerely,

Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

enclosure



HARVEY E. YATES COMPANY

A MEMBER COMPANY OF HEYCO ENERGY GROUP

May 4, 2006

United States Department of the Interior
Bureau of Land Management
2909 West Second
Roswell, New Mexico 88201

Attention: Mr. Larry Bray, Unit Authorizing Officer

Re: Bennett Ranch Unit Area
Otero County, New Mexico
No. NMNM94469X
Application for Approval of
Revised Unit Boundary

Ladies & Gentlemen:

Harvey E. Yates Company (HEYCO), as Unit Operator for the Bennett Ranch Unit Agreement, respectfully submits for your approval a revision of the Bennett Ranch Unit Boundary. The Bennett Ranch Unit boundary was proposed in 1995 based on the geology and structure of the Fusselman Formation. This primary deep objective was expected to be oil productive (based on shows, and source rock geochemistry) and to be developed on standard 40-acre oil spacing with the corresponding depth allowable if tests proved successful. Subsequent drilling of two wildcat wells has established the structure to be productive (but not from the Fusselman) and to date has proven the commerciality of two shallower gas reservoirs. These pay zones are quite permeable and capable of being drained with spacing units as coarse as 640 acres. Therefore, expansion of the unit is requested to accommodate development of the probable gas resource which has yet to be fully delineated.

In support of our request for approval the following numbered items are attached hereto and made a part hereof:

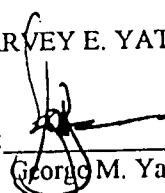
- 1: Description of the current Bennett Ranch Unit Boundary. (Exhibit 1)✓
- 2: Maps showing the boundaries of the current unit area and the proposed expanded unit area. (Exhibits "A1" and "A2" respectively)✓
3. Revised Bennett Ranch Unit Agreement Exhibit "B" showing the lands entitled to participation in the unit and working interest ownership. (Exhibit "B")✓

The effective date of this Unitization Area shall be April 1, 2006. The described lands will be subject to the remaining term of the Bennett Ranch Unit and the continuous development terms agreed upon with the authorized officer.

U.S. Dept. of the Interior
Bureau of Land Management
May 4, 2006
Page 2

Accordingly, applicant respectfully requests your approval of the hereinabove selection of lands to constitute the Bennett Ranch Unit to be effective April 1, 2006.

HARVEY E. YATES COMPANY

By: 

George M. Yates - President & CEO

GKY/dlm
Enclosures

BennettRanchBLMReqUnitExpansionApril2006.doc/Land:BennettRanch#3

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

Commissioner of Public Lands (w/encl.)
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn: Patrick Lyons

Harvey E. Yates Company
Bennett Ranch Unit
Otero County, New Mexico

BENNETT RANCH UNIT BOUNDARY:

Township 26 South, Range 12 East, N.M.P.M.

Section 1: SW/4 SW/4
Section 2: S/2 NW/4, SW/4, NW/4, SE/4, S/2 SE/4
Section 3: E/2 W/2, E/2
Sections 10-11: All
Section 12: W/2, W/2 E/2, SE/4 NE/4, E/2 SE/4
Sections 13-14: All
Section 15: N/2, E/2 SW/4, SE/4
Section 22: E/2 NW/4, E/2
Sections 23-25: All
Section 26: N/2, E/2 SW/4, SE/4
Section 27: NE/4 NE/4
Section 35: Lots 3 (10.02), 4 (9.87), N/2 NE/4
Section 36: Lots 1 (9.84), 2 (9.92), 3 (10.00), 4 (10.08),
N/2 N/2

Township 26 South, Range 13 East, N.M.P.M.

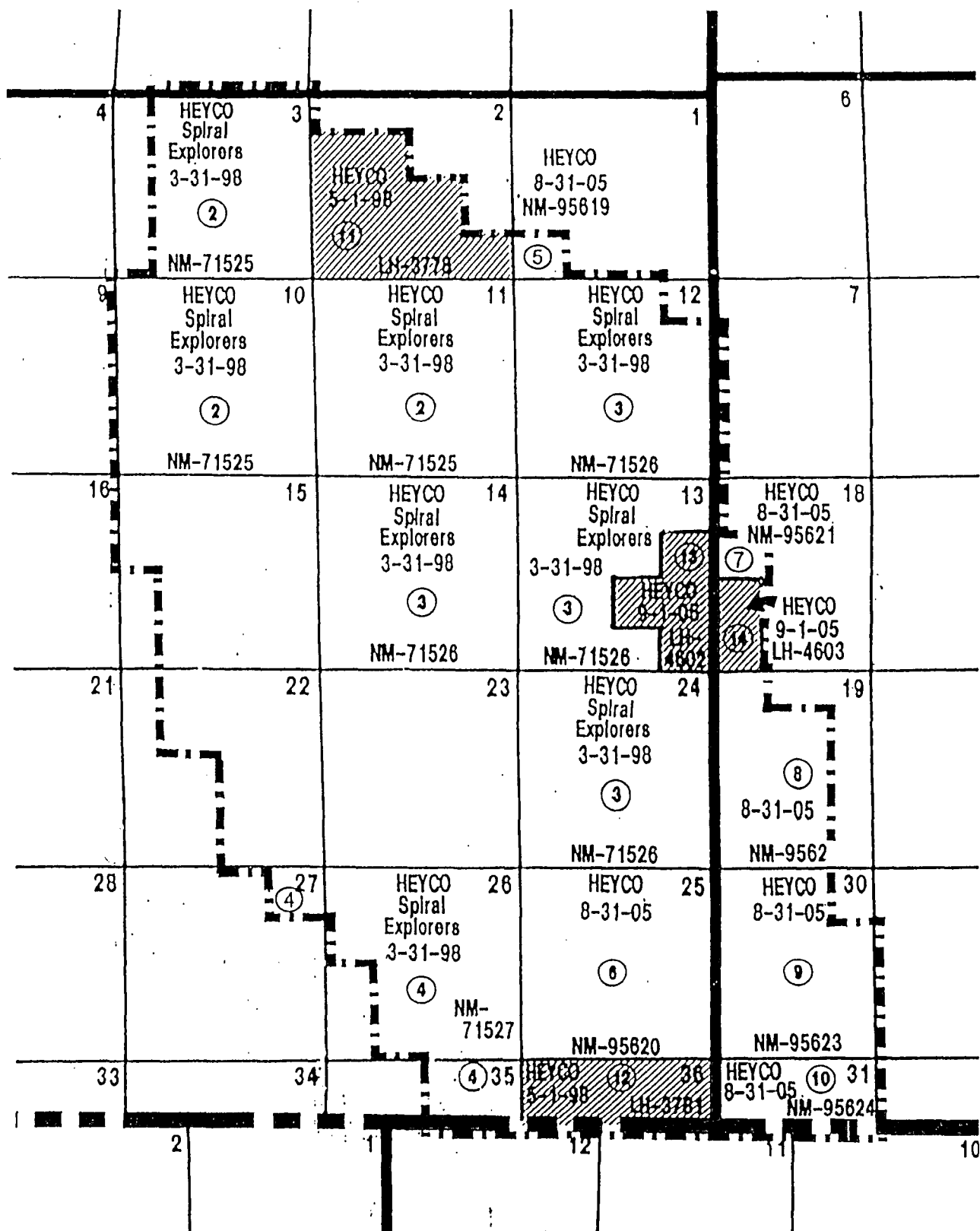
Section 18: Lots 2 (40.36), 3 (40.40), 4 (40.46),
Section 19: Lots 1 (40.51), 2 (40.56), 3 (40.62), 4 (40.67),
SW/4 NE/4, W/2 SE/4
Section 30: Lots 1 (40.81), 2 (41.02), 3 (41.24), 4 (41.45),
NW/4 NE/4, S/2 NE/4, SE/4
Section 31: Lots 1 (41.53), 2 (22.95), 3 (22.24), 4 (22.35),
N/2 NE/4

containing 8,856.90 net acres, more or less

bnntdesc.unt/EL

R - 12 - E

R - 13 - E

T
6
S

BENNETT RANCH UNIT OTERO COUNTY, NEW MEXICO

FEDERAL LANDS:

8,056.20 acres

90.959591%

TRACT #: (7)

STATE LANDS:

800.70 acres

9.040409%

UNIT OUTLINE: - - - - -

TOTALS:

8,856.90 acres

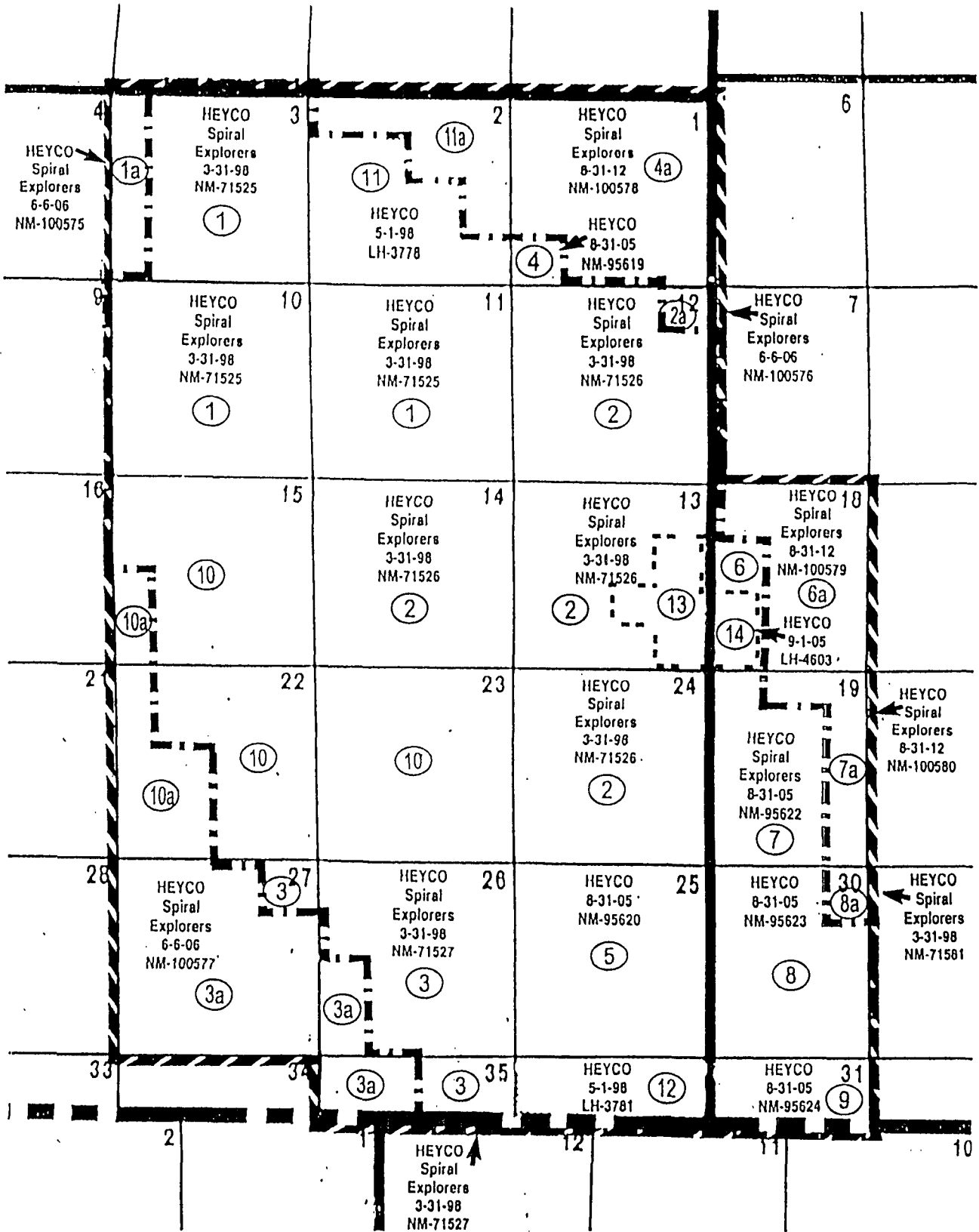
100.000000%

EXHIBIT A1

n - 12 - E

R - 13 - E

T
26
S



BENNETT RANCH UNIT
OTERO COUNTY, NEW MEXICO

FEDERAL LANDS:	10,556.39 ACRES	90.713314%
STATE LANDS:	1,080.70 ACRES	9.286686%
TOTALS:	11,637.09 ACRES	100.000000%

NEW UNIT OUTLINE:

TRACT #:

EXHIBIT 10

EXHIBIT B
BENNETT RANCH UNIT AGREEMENT-OTERO COUNTY, NEW MEXICO
APRIL 1, 2006

TRACT LAND NO.	DESCRIPTION	# OF ACRES	SERIAL # & LEASE EXP.	BASIC ROYALTY	LESSEE OF RECORD(%)	WORKING INTEREST OWNERSHIP (Decimal)
<u>FEDERAL LANDS:</u>						
1.	T-26S, R-12E Sec. 3: E/2, E/2 W/2 Sec. 10: All Sec. 11: All	1760.00	NM-71525 03/31/98	12.50%	Harvey E. Yates Co. 21.179121% Spiral, Inc. 5.789198% Explorers Petroleum 3.172995% HEYCO Emp. Ltd. 1.108686% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .21179121 Spiral, Inc. .05789198 Explorers Pet. Corp. .03172995 HEYCO Emp. Ltd. .01108686 ConocoPhillips .50000000 Rudman Partnership .18750000
1a.	Sec. 3: W/2 W/2	160.00	NM-100575 06/06/06	12.50%	Harvey E. Yates Co. 21.179121% Spiral, Inc. 5.789198% Explorers Petroleum 3.172995% HEYCO Emp. Ltd. 1.108686% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .21179121 Spiral, Inc. .05789198 Explorers Pet. Corp. .03172995 HEYCO Emp. Ltd. .01108686 ConocoPhillips .50000000 Rudman Partnership .18750000
2.	T-26S, R-12E Sec. 12: W/2, SE/4, S/2 NE/4, NW/4 NE/4 Sec. 13: W/2, N/2 NE/4, SW/4 NE/4, SW/4 SE/4 Sec. 14: All Sec. 24: All	2360.00	NM-71526 03/31/98	12.50%	Harvey E. Yates Co. 21.179121% Spiral, Inc. 5.789198% Explorers Petroleum 3.172995% HEYCO Emp. Ltd. 1.108686% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .21179121 Spiral, Inc. .05789198 Explorers Pet. Corp. .03172995 HEYCO Emp. Ltd. .01108686 ConocoPhillips .50000000 Rudman Partnership .18750000
2a.	Sec. 12: NE/4 NE/4	40.00	NM-100576 06/06/06	12.50%	Harvey E. Yates Co. 21.179121% Spiral, Inc. 5.789198% Explorers Petroleum 3.172995% HEYCO Emp. Ltd. 1.108686% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .21179121 Spiral, Inc. .05789198 Explorers Pet. Corp. .03172995 HEYCO Emp. Ltd. .01108686 ConocoPhillips .50000000 Rudman Partnership .18750000

TRACT LAND NO.	DESCRIPTION	# OF ACRES	SERIAL # & LEASE EXP.	BASIC ROYALTY	LESSEE OF RECORD(%)	WORKING INTEREST OWNERSHIP (Decimal)
3.	T-26S, R-12E Sec. 26: N/2, SE/4, E/2 SW/4 Sec. 27: NE/4 NE/4 Sec. 35: Lots 3, 4, N/2 NE/4	699.89	NM-71527 03/31/98	12.50%	Harvey E. Yates Co. 21.179121% Spiral, Inc. 5.789198% Explorers Petroleum 3.172995% HEYCO Emp. Ltd. 1.108686% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .21179121 Spiral, Inc. .05789198 Explorers Pet. Corp. .03172995 HEYCO Emp. Ltd. .01108686 ConocoPhillips .50000000 Rudman Partnership .18750000
3a.	Sec. 26: W/2 SW/4 Sec. 27: W/2 NE/4, SE/4 NE/4, W/2, SE/4 Sec. 35: Lots 1, 2, N/2 NW/4	80.00 600.00 99.89	NM-100577 06/06/06	12.50%	HEYCO Emp. Ltd. 1.108686% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	
4.	T-26S, R-12E Sec. 1: SW/4 SW/4	40.00	NM-95619 08/31/05	12.50%	Harvey E. Yates Co. 24.417012% Spiral, Inc. 3.191226% Explorers Petroleum 1.802302% HEYCO Emp. Ltd. 1.839420% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191226 Explorers Pet. Corp. .01802302 HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000
4a.	Sec. 1: E/2, NW/4, N/2 SW/4, SE/4 SW/4	600.00	NM-100578 08/31/05	12.50%	Explorers Petroleum 1.802302% HEYCO Emp. Ltd. 1.839420% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	
5.	T-26S, R-12E Sec. 25: All	640.00	NM-95620 08/31/05	12.50%	Harvey E. Yates Co. 24.417012% Spiral, Inc. 3.191226% Explorers Petroleum 1.802302% HEYCO Emp. Ltd. 1.839420% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191226 Explorers Pet. Corp. .01802302 HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000

TRACT LAND NO.	DESCRIPTION	# OF ACRES	SERIAL # & LEASE EXP.	BASIC ROYALTY	LESSEE OF RECORD(%)	WORKING INTEREST OWNERSHIP (Decimal)
6.	T-26S, R-13E Sec. 18: Lot 2	40.36	NM-95621 08/31/05	12.50%	Harvey E. Yates Co. 24.417012% Spiral, Inc.	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191266 Explorers Pet. Corp. .01802302
6a.	Sec. 18: Lot 1, E/2	360.30	NM-100579 8/31/05	12.50%	3.191226% Explorers Petroleum 1.802302% HEYCO Emp. Ltd. 1.839420% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000
7.	T-26S, R-13E Sec. 19: Lots 1-4, SW/4 NE/4, W/2 SE/4	282.36	NM-95622 08/31/05	12.50%	Harvey E. Yates Co. 24.417012% Spiral, Inc.	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191266 Explorers Pet. Corp. .01802302
7a.	Sec. 19: N/2 NE/4, SE/4 NE/4, E/2 SE/4	200.00	NM-100580 08/31/05	12.50%	3.191226% Explorers Petroleum 1.802302% HEYCO Emp. Ltd. 1.839420% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000
8.	T-26S, R-13E Sec. 30: Lots 1-4, NW/4 NE/4, S/2 NE/4, SE/4	444.52	NM-95623 08/31/05	12.50%	Harvey E. Yates Co. 24.417012% Spiral, Inc.	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191266 Explorers Pet. Corp. .01802302
8a.	Sec. 30: NE/4 NE/4	40.00	NM-100581 08/31/05	12.50%	3.191226% Explorers Petroleum 1.802302% HEYCO Emp. Ltd. 1.839420% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000

TRACT LAND NO.	DESCRIPTION	# OF ACRES	SERIAL # & LEASE EXP.	BASIC ROYALTY	LESSEE OF RECORD(%)	WORKING INTEREST OWNERSHIP (Decimal)
9.	T-26S, R-13E Sec. 31: Lots 1-4, N/2 NE/4	189.07	NM-95624 08/31/05	12.50%	Harvey E. Yates Co. 24.417012% Spiral, Inc. 3.191226% Explorers Petroleum 1.802302% HEYCO Emp. Ltd. 1.839420% ConocoPhillips 50.000000% Rudman Partnership 18.750000%	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191266 Explorers Pet. Corp. .01802302 HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000

10. T-26S, R-12E
Sec. 15: N/2, SE/4,
E/2 SW/4
Sec. 22: E/2, E/2 NW/4
Sec. 23: All

1600.00

Federal
(New Lease not issued)

12.50%

10a. Sec. 15: W/2 SW/4
Sec. 22: W/2 NW/4, SW/4

80.00
240.00

(Unleased Acreage)

10 Federal Tracts = 10,556.39 acres, 90.0713314% of the unit area (Committed Acres- 10236.39, being 91.912609% of unit area)

TRACT LAND NO.	DESCRIPTION	# OF ACRES	SERIAL # & LEASE EXP.	BASIC ROYALTY	LESSEE OF RECORD(%)	WORKING INTEREST OWNERSHIP (Decimal)
<u>STATE LANDS:</u>						
11.	T-26S, R-12E Sec. 2: S/2 NW/4, SW/4, NW/4 SE/4, S/2 SE/4	360.00	LH-3778 05/01/98	12.50%	Harvey E. Yates Co. 100.00%	Harvey E. Yates Co. .21179121 Spiral, Inc. .05789198 Explorers Pet. Corp. .03172995 HEYCO Emp. Ltd. .01108686 ConocoPhillips .50000000 Rudman Partnership .18750000
11a.	Sec. 2: NE/4, NE/4SE/4, N/2NW/4	280.00	Unleased Acres			
12.	T-26S, R-12E Sec. 36: Lots 1-4, N/2 N/2	199.84	LH-3781 05/01/98	12.50%	Harvey E. Yates Co. 100.00%	Harvey E. Yates Co. .21179121 Spiral, Inc. .05789198 Explorers Pet. Corp. .03172995 HEYCO Emp. Ltd. .01108686 ConocoPhillips .50000000 Rudman Partnership .18750000
13.	T-26S, R-12E Sec. 13: SE/4 NE/4, N/2 SE/4, SE/4 SE/4	160.00	LH-4602 09/01/05	12.50%	Harvey E. Yates Co. 100.00%	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191266 Explorers Pet. Corp. .01802302 HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000
14.	T-26S, R-13E Sec. 18: Lots 3, 4	80.86	LH-4603 09/01/05	12.50%	Harvey E. Yates Co. 100.00%	Harvey E. Yates Co. .24417012 Spiral, Inc. .03191266 Explorers Pet. Corp. .01802302 HEYCO Emp. Ltd. .01839420 ConocoPhillips .50000000 Rudman Partnership .18750000

4 State Tracts = 1080.70 acres, 9.2866686% of the unit area (Committed Acres -800.70, being 7.0751% of unit area)

RECAPITULATION

FEDERAL LANDS	10,556.39 acres	90.450725%
STATE LANDS	1,080.70 acres	9.286686%
TOTALS	11,637.09 acres	100.000000%