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Chalk AKH Federal #2 Working Interest Owners

Yates Petroleum Corporation	10.50000%
Yates Drilling Company	5.25000
Abo Petroleum Corporation	5.25000
Myco Industries, Inc.	5.25000
H.M. Bettis, Inc.	2.91375
Turnco Inc.	2.91375
L.E. Opperman	1.16550
Bettis Brothers, Inc.	10.50700
M. Craig Clark	3.12500
David Cromwell	3.12500
Nearburg Exploration Company	50.00000

YATES PETROLEUM CORP.
BEFORE THE COMMISSION
NMOCD CASE NOS. 10467/10473
DATE: 08/13/92 De Novo
EXHIBIT NO.

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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

March 24, 1992

Nearburg Exploration Company One Petroleum Center, Bldg. 8, Suite 100 3300 North "A" Street Midland, TX 79705

RE: Chalk "AKH" Federal #2

Township 18 South, Range 27 East

Section 27: N/2

Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation hereby proposes to drill the captioned well to the Morrow formation at a location of 660' FNL and 1320' FEL of Section 27, Township 18 South, Range 27 East. Enclosed are two (2) copies of our Authority for Expenditure to drill this well.

Also enclosed is a copy of our December 11, 1991, Operating Agreement covering the lands under this spacing unit in which we own an interest, along with two (2) Ratifications of Operating Agreement. If you wish to participate in the drilling of this well, please sign and return one (1) copy of the AFE and one (1) copy of the Ratification to our office.

Thank you for your prompt attention to this matter. Please give us a call if you have any questions.

Very truly yours,

YATES PETROLEUM CORPORATION

Mecca Mauritsen Associate Landman

Mega Maurton

MM:jrw enclosure(s)

YATES PETROLEUM CORP.
BEFORE THE COMMISSION
NMOCD CASE NOS. 10467/10473
DATE: 08/13/92 De Novo
EXHIBIT NO. 3-A

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4s & b. Print your name and address on the reverse of this form so the return this card to you. Attach this form to the front of the mailpiece, or on the back does not permit. Write "Return Receipt Requested" on the mailpiece below the art The Return Receipt Fee will provide you the signature of the pers to and the date of delivery.	if space 1. Addressee's Address
3. Article Addressed to: Nearburg Exploration Company One Petroleum Center, Bldg. 8, Suite 100 3300 North "A" Street Midland, TX 79705	4a. Article Number P 885 890 613 4b. Service Type □ Registered □ Insured ☑ Certified □ COD □ Express Mail ☒ Return Receipt for Merchandise 7. Date of Delivery
5. Signature (Addressee) 6. Signature (Agent) PS Form 3811, November 1990 *U.S. GPO: 1991—28	8. Addressee's Address (Only if requested and fee is paid) Chalk AKH #2 COMESTIC RETURN RECEIPT

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



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
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

April 2, 1992

Nearburg Exploration Company One Petroleum Center, Bldg. 8, Suite 100 3300 North "A" Street Midland, TX 79705

RE: Cha

Chalk "AKH" Federal #3

Township 18 South, Range 27 East

Section 27: N/2

Eddy County, New Mexico

Gentlemen:

Enclosed are two (2) copies of our Authority for Expenditure to drill the captioned well to the Morrow formation at a location of 660' FNL and 1980' FEL of Section 27, Township 18 South, Range 27 East.

Due to the pending force pooling, I have also enclosed the Operating Agreement, Ratification and Joinder of Operating Agreement and the Authority For Expenditure for the Chalk "AKH" Fed. #2 that we furnished to you last week. Please note that we have revised the location of the Chalk #2 well to 660' FNL and 1330' FEL.

Please review the Authority For Expenditures and the Operating Agreement, and if you wish to join in the drilling of these wells, execute and return one (1) copy of the AFE's in addition to one (1) copy of the Ratification and Joinder.

Thank you. Please call if you have any questions.

Very truly yours,

YATES PETROLEUM CORPORATION

Mecca Mauritsen
Associate Landman

MM:jrw enclosure(s)

PATES PETROLEUM CORP.
BEFORE THE COMMISSION
NMOCD CASE NOS. 10467/10473
DATE: 08/13/92 De Novo
EXHIBIT NO. 3-6

Print your name	3, and 4a & b. and address on the rev	erse of this form		can follow	so wish to ring services (t	or an extra
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ILLEGIBLE

DAVID W. CROMWELL

Consulting Geologist

407 North Big Spring, Suite 200 Midland, Texas 79701 915-682-8319

April 23, 1992

Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico 87504-2088

RE: Yates #2 Chalk "AKH"
660' FNL and 1330' FEL
Section 27, T-18-S, R-27-E
Eddy County, New Mexico

Dear Sirs:

1 🔩

In the matter of the drilling application on the above referenced well before the O. C. D., I would like to go on record as recommending Yates Petroleum Corporation to be operator. As a working interest owner and originator of this prospect, I believe that it is in the best interest of all parties in the #1 Chalk "AKH" (tr. I, Section 22, T-18-S, R-27-E) of which Yates Petroleum is the operator, to maintain the same operator in order to equitably develop the reservoir.

Thank you for your consideration in this matter.

Sincerely,

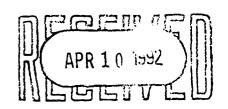
David W. Cromwell

DWC/nh

WATES PETROLEUM CORP.
BEFORE THE COMMISSION
NMOCD CASE NOS. 10467/10473
DATE: 08/13/92 De Novo
EXHIBIT NO.

BETTIS BROTHERS, INC.

ONE FIRST CITY CENTER 500 WEST TEXAS, SUITE 830 MIDLAND, TEXAS 79701 915/685-4128 Fax# 915/685-0198



April 9, 1992

APR 20 1992

Yates Petroleum Corp. 105 S. Fourth Street Artesia, New Mexico

RE: Chalk "AKH" Fed #2 & Chalk "AKH" Fed #3, N/2 Section 27, T18S, R27E, Eddy County, New Mexico

Gentlemen:

This letter is to serve as notice that Bettis Brothers, Inc., requests that Yates Petroleum Corporation be the designated operator of the above referenced properties.

Yours very truly

Harry M. Bettis, Jr

L. E. OPPERMANN
One First City Center
500 W. Texas, Suite 830
Midland, Texas 79701
(915) 685-0593

April 9, 1992

Yates Petroleum Corp. 105 S. Fourth Street Artesia, New Mexico

RE: Chalk "AKH" Fed #2 & Chalk "AKH" Fed #3, N/2 Section 27, T18S, R27E, Eddy County, New Mexico

Gentlemen:

This letter is to serve as notice that I would like Yates Petroleum Corporation to be the designated operator of the above referenced properties.

Yours very truly,

L. E. Oppermann

LEO/sg

BETTIS, BOYLE AND STOVALL

Oil Producers
P. O. Box 1240
Graham, Texas 76450-7240

817-549-0780 Fax 817-549-7405

April 9, 1992



Yates Petroleum Corporation 105 S. Fourth Street Artesia, New Mexico 88210

Re: Chalk "AKH" Fed #2 & Chalk "AKH" Fed #3, N/2 Section 27, T18S, R27E, Eddy County, New Mexico

Gentlemen:

This letter is to serve as notice that H. M. Bettis, Inc. and Turnco, Inc., request that Yates Petroleum Corporation be the designated operator of the above referenced properties.

Yours very truly,

BETTIS, BOYLE & STOVALL

Wayne T. Christian

WTC/sw

Certified Professional Landman

310 W. TEXAS AVE • SUITE 714 • MIDLAND, TX 79701 • (915) 684-3811

April 20, 1992

Mr. Ernest L. Carroll Losee, Carson, Haas & Carroll, P.A. P.O. Drawer 239 Artesia, New Mexico 88211-0239

Re: Application of Yates Petroleum for Compulsory Pooling Eddy County, New Mexico

Dear Mr. Carroll:

Enclosed please find waivers for Cause No. 10467 covering the above captioned Application which I have executed stating that I have no objection to Yates Petroleum Corporation's proposed locations for the Chalk "AKH" Federal No. 2 & No. 3 wells.

In addition, I fully support Yates Petroleum Corporation to be Operator of the proposed wells.

Should you have any questions or problems, please do not hesitate to contact me.

Very truly yours,

M. Craie Clark

MCC/s Enclosures Form 3160-3 (November 1983) (formerly 9-331C)

necca

(Other instructions on reverse side) UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE.

5. LEASE DESIGNATION AND SERIAL NO.

Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985

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OIL	WELL OTHER			INGLE MULTIP		8. FARM OR LEASE NAME
2. NAME OF OPERATOR Yates Petroleum Corporation						Chalk "AKH" Federal
3. ADDRESS OF OPERATO	_	·				g. well no.
105 South Fo	ourth Street, Ar	tesia, NM 8	8210		-	10. FIELD AND POOL, OR WILDCAT
4. LOCATION OF WELL At surface	(Report location clearly as	nd in accordance wi	th any a	State requirements.*)		Undesignated Morrow
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(This space for Fe	deral or State office use)					
PERMIT NO.				APPROVAL DATE		
APPROVED BYCONDITIONS OF APPR	OVAL, IF ANY:	ті	TLE			DATE

YATES PETROLEUM CORP. BEFORE THE COMMISSION NMOCD CASE NOS. 10467/10473 Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Farey P

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

		All Distances	must be from the oute	r boundarie:	s of the section		
Operator			Lease				Well No.
YATES	PETROLEUM (CORPORATION	СН	ALK AKH	FEDERAL		2
Unit Letter	Section	Township	Range			County	<u> </u>
В	27	18 SOUT		EAST	NMPM	EDD	Y COUNTY, NM
Actual Footage Loca	ation of Well:	i	 		141411 141	· L	
660	feet from the	NORTH	line and 1330		feet from	the EAS	T line
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YATES PETROLEUM CORPORATION

Chalk "AKH" Federal #2 660' FNL and 1330' FEL Section 27, T18S-R27E Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements.

- 1. The geological surface formation is Alluvium.
- 2. The estimated tops of geologic markers are as follows:

San Andres	1,150'
Bone Spring	4,460'
3rd Bone Spring	6,980'
Wolfcamp	7,100'
Cisco	7,572'
Strawn	8,800'
Atoka	9,350'
Morrow Clastics	9,700'
Lower Morrow	9,810'
Barnett Shale	10,000'
TD	10,025'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 250'

Oil or Gas: Wolfcamp, Penn, Morrow

- 4. Proposed Casing Program: See Form 3160-3.
- 5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
- 6. Mud Program: See Form 3160-3.

- 7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
- 8. Testing, Logging and Coring Program:

Samples: 10' from surface casing to TD

DST's: None

Coring: None

Logging: CNL/LDT, TD to Casing with CNL to surface; DLL/MSFL TD to casing, Sonic log TD to casing

- 9. No abnormal pressures or temperatures are anticipated. No $\rm H_2S$ is anticipated during the drilling of this well.
- 10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Chalk "AKH" Federal #2
660' FNL and 1330' FEL
Section 27-T18S-R27E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 12 miles east of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- 1. Go east of Artesia on Highway 82 to Illinois Camp Road.
- 2. Turn south for approximately 4.5 miles to Eddy County Road #234.
- 3. Turn west for 1/2 mile and cross cattleguard.
- 4. Follow caliche road for 2 miles to cattleguard and take left after cattleguard for 1/4 mile.
- 5. New road starts here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 500' in length from point of origin to the Northeast edge of the drilling pad. The road will lie in a north to south direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. No traffic turnouts will be built.
- D. The route of the road is visible.

Chalk "AKH" Federal #2 Page 2

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Private pit located NE/4NE/4 Sec. 26, T18S-R27E

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk and other waste materials will be contained in trash bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

Chalk "AKH" Federal #2 Page 3

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. A cross section of drill pad with approximate cuts, fills and pad orientation is shown on Exhibit E.
- B. The reserve pits will be plastic lined.
- C. A 400' X 400' area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After finishing re-entry and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.
- 11. SURFACE OWNERSHIP: Bureau of Land Management P. O. Box 1778 Carlsbad, New Mexico 88220

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

Chalk "AKH" Federal #2 Page 4

13. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval:

Ken Beardemphl, Landman Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505)748-1471 B. Through Drilling Operations, Completions and Production:

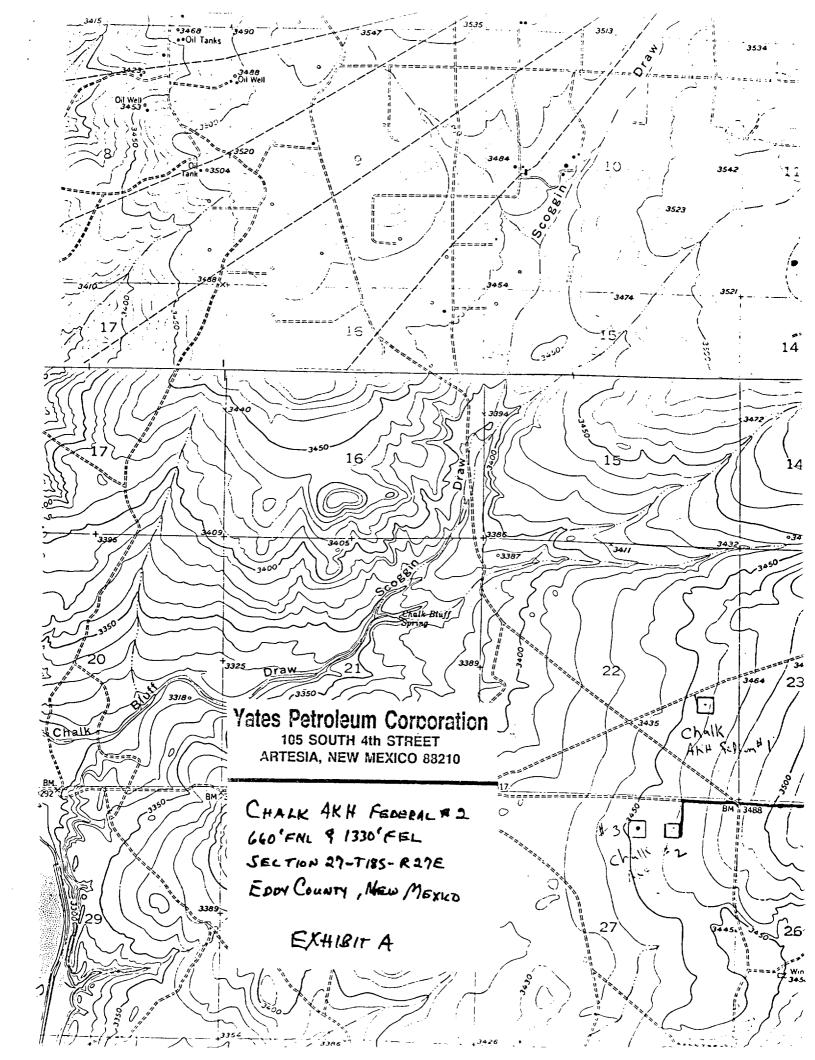
Mike Slater, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505)748-1471

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

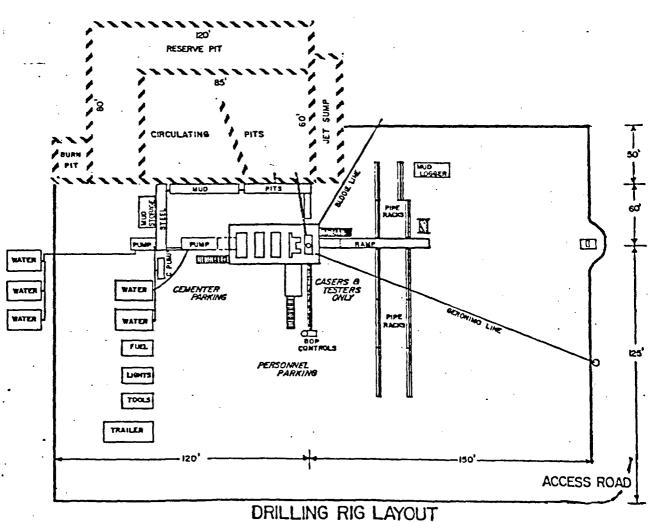
<u>April 10, 1992</u> Date

Clifton R. May Permit Agent

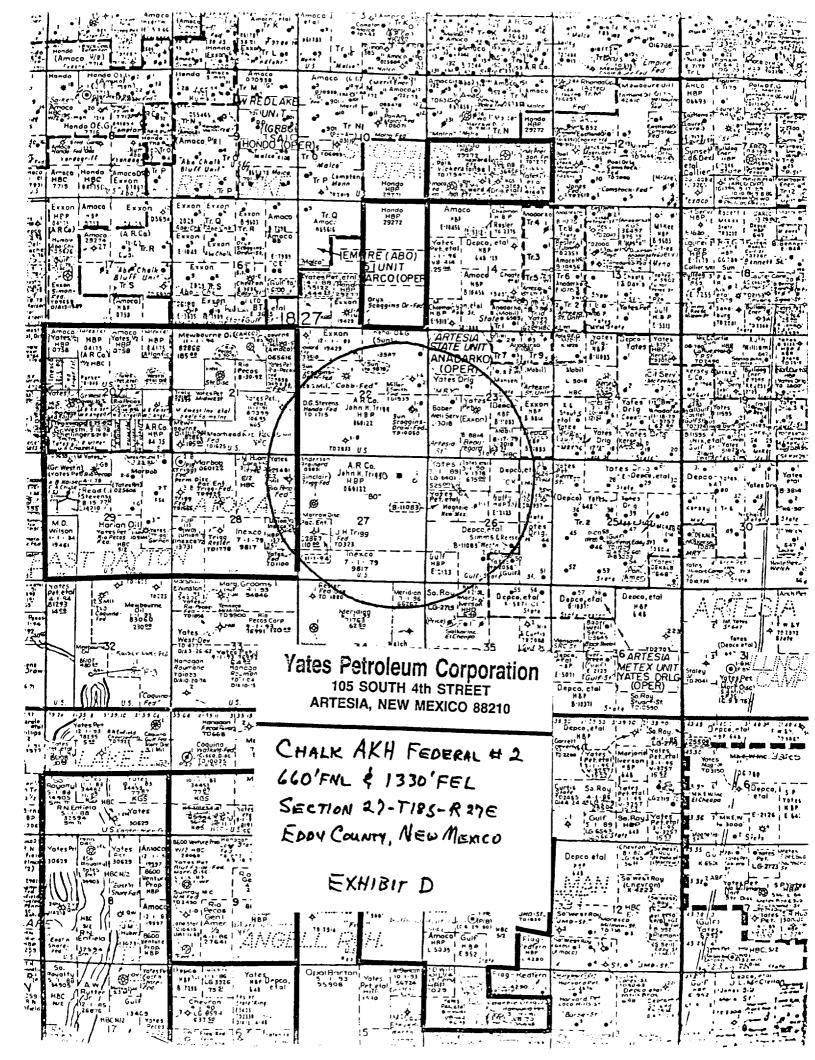


YATES PETROLEUM CORPORATION





PRILLING RIG LAYOUT
Scale: Inch = 50 feet



BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

: CASE NO. 10467

WAIVER

As an offset operator, M. CRAIG CLARK has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

M. Craig Clark

A/20/4 Z

Date

YATES PETROLEUM CORP. BEFORE THE COMMISSION NMOCD CASE NOS. 10467/10473 DATE: 08/13/92 De Novo EXHIBIT NO. ____

DEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF:
YATES PETROLEUM CORPORATION FOR:
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO:
:

WAIVER

As an offset operator, TURNCO, INC. has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

TURNCO, INC.

Ву:	Wayne Christian
Title	President
	4/2/92

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 10467

WAIVER

As an offset operator, BETTIS BROTHERS, INC. has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

BETTIS BROTHERS, INC.

Title

Data

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

CASE NO. 10467

WAIVER

As an offset operator, H. M. BETTIS, INC. has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

H. M. BETTIS, INC.

ву:_	1mms	etti	
	PRES		
Title	9		
	4-7-92		
Date			

BEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 10467

WAIVER

As an offset operator, ORYX ENERGY COMPANY has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

ORYX ENERGY COMPANY

By: J. D. Hashell by Patriol School

Geological Manager
Title

4/8/92

Date

DEFORE THE OIL CONSERVATION DIVISION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 10467

WAIVER

As an offset operator, DAVID W. CROMWELL has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

David W. Cromwell

Date

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
YATES PETROLEUM CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO
:

WAIVER

As an offset operator, BABER WELL SERVICING has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

BABER WELL SERVICING

By: /////WWw

PRESIDENT

Title

APRIL 2, 1992

Date

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 10467

WAIVER

As an offset operator, L. E. OPPERMANN has no objections to Yates Petroleum Corporation drilling its proposed Chalk "AKH" Federal No. 2 Well located at a point 660 feet from the North line and 1320 feet from the East line of Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

L. E. Oppermann

March 31, 1992

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATIONS)			
OF YATES PETROLEUM CORPORATION)			
FOR COMPULSORY POOLING, EDDY)			
COUNTY, NEW MEXICO.)	CASE NOS.	10467,	10472

CERTIFICATE OF MAILING AND COMPLIANCE WITH RULE 1207

In accordance with Division Rule 1207, I hereby certify that copies of the applications filed in and notice of the hearing of the above-referenced cases were mailed, at least twenty days prior to the hearing of April 30, 1992, to the operators and interested parties listed in Exhibit "A".

Also attached hereto are representative copies of said correspondence and evidence of its receipt as Exhibit "B".

By: Carroll Guod

LOSEE, CARSON, HAAS & CARROLL, P.A. P. O. Drawer 239 Artesia, New Mexico 88211-0239

Attorneys for Applicant

STATE OF NEW MEXICO)
: ss
COUNTY OF EDDY)

SUBSCRIBED AND SWORN TO before me this April 29, 1992.

Notary Public

My commission expires: November 17, 1992

EXHIBIT "A"

CHALK NO. 2

H. M. Bettis, Inc. Turnco, Inc. P. O. Box 1240 Graham, TX 76540

Bettis Brothers, Inc. L.E. Oppermann 500 West Texas, Suite 830 Midland, TX 79701

M. Craig Clark 310 W. Texas, Suite 714 Midland, TX 79705

> David W. Cromwell 2819 West Shandon Midland, TX 79705

Nearburg Exploration Company
One Petroleum Center, Bldg. 8
330 North "A" Street, Ste. 100
Midland, TX 79705

Oryx Energy Company
P. O. Box 2880
Dallas, TX 75221-2880

P. O. Box 1772 Hobbs, NM 88240

CHALK NO. 3

H. M. Bettis, Inc. Turnco, Inc. P. O. Box 1240 Graham, TX 76540

Bettis Brothers, Inc. L.E. Oppermann 500 West Texas, Suite 830 Midland, TX 79701

M. Craig Clark 310 W. Texas, Suite 714 Midland, TX 79705

> David W. Cromwell 2819 West Shandon Midland, TX 79705

Nearburg Exploration Company
One Petroleum Center, Bldg. 8
Suite 100
330 North "A" Street
Midland, TX 79705

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

(505) 746-3505 TELECOPY (505) 746-6316

TELEPHONE

March 30, 1992

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

L. E. Oppermann 500 West Texas, Suite 830 Midland, Texas 79701

Re: Applications of Yates Petroleum Corporation for Compulsory Pooling, Eddy County, New Mexico

Dear Mr. Oppermann:

This office represents Yates Petroleum Corporation. On March 24, 1992 Yates Petroleum Corporation filed its Application for compulsory pooling for its Chalk "AKH" Federal No. 2 Well, and on March 27, 1992 it filed its Application for compulsory pooling for its Chalk "AKH" Federal No. 3 Well, both in Section 27, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Copies of both Applications are enclosed for reference.

The New Mexico Oil Conservation Division has set April 30, 1992 as the date for said hearing on both Applications. Any party wishing to appear must file a prehearing statement by the Friday prior to the date of hearing, and any party wishing to receive other parties' prehearing statements or pleadings must file an entry of appearance.

I am also enclosing Waivers for your execution and return to me should you have no objection to said Applications. If you intend to object to said Applications, please let me know. If you have any questions, please do not hesitate to contact me.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

Ernest L. Carroll

ELC:bjk Enclosures

EXHIBIT "B"

Complete Items 1 and/of 2 for additional services. 100 pt. 1 Complete Items 3, and 46 & b	to (i ipilė) (il) (il) (il) (il) (il) (il) (il) (il		
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