

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
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PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

April 8, 1994

Stevens Oil Company
c/o James E. Burke
P.O. Box 2266
Albuquerque, New Mexico 87103-2266

Re: Hancock AHC Com. #3
Township 6 South, Range 26 East
Section 20: SE/4
Chaves County, New Mexico

Ladies and Gentlemen:

Please find enclosed our Authority for Expenditure for the drilling of the captioned well. Your interest comes by virtue of the 5 acre Ke Phart mineral interest purchased by Stevens Oil Company May 14, 1981 at book 294, page 590.

Should you not wish to participate in the drilling of this well, Yates would propose to lease your interest for a 1/4 royalty, 6 month term.

If you desire to participate in the drilling of this well, Yates will expect payment of the dry hole costs prior to the spudding of the well.

Please indicate your wishes and return either the signed AFE or a copy of this letter for further handling.

- Enclosed is my signed AFE for participating in the proposed well.
- I do not wish to participate with my interest but wish to lease on the terms stated above.

By: _____

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:dke

**BEFORE THE
OIL CONSERVATION DIVISION**
Santa Fe, New Mexico

Case No. 10991 Exhibit No. 2

Submitted by: Yates Petroleum Corporation

Hearing Date: December 15, 1994

Z 682 960 971



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	
Stevens Oil Company	
c/o James E. Burke	
P.O. Box 2266	
Albuquerque, NM 87103-2266	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

Is your RETURN ADDRESS completed on the reverse side?

SENDER: • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Stevens Oil Company c/o James E. Burke P.O. Box 2266 Albuquerque, NM 87103-2266		4a. Article Number Z 682 960 971	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
5. Signature (Addressee) <i>[Signature]</i>		7. Date of Delivery 4-13-94	
6. Signature (Agent) <i>[Signature]</i>		8. Addressee's Address (Only if requested and fee is paid) Hancock AHC Com. #3	

Thank you for using Return Receipt Service.