STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF YATES PETROLEUM CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 13383

AFFIDAVIT OF JOHN AMIET

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

I, John Amiet, being first duly sworn on oath, states as follows:

1. My name is John Amiet. I reside in Artesia, New Mexico. I am the petroleum geologist employed by Yates Petroleum Corporation ("Yates") who is responsible for the formation of the proposed Boots State Exploratory Unit ("the Unit") comprised of 4619 acres, more or less, of State of New Mexico lands situated in Lea County, New Mexico. The horizontal limits of said Unit Area are described as follows:

Township 11 South, Range 35 East, N.M.P.M.

Section 3:	All
Section 4:	All
Section 8:	All
Section 9:	All
Section 10:	All
Section 15:	All
Section 16:	All
Section 17:	All

2. Yates, the designated Unit Operator in the Boots State Exploratory Unit Agreement, proposes the formation of the Unit to test all formations from the surface to the base of the Mississippian formation.

3. The initial unit well will be drilled at a standard gas well location 1830 feet from the North line and 660 feet from the West line of Section 9, Township 11 South, Range 35 East, NMPM, Lea County, New Mexico to an approximate depth of 12,660 feet to test all formations from the surface to the base of the Mississippian formation. The estimated costs for this well are $1, 873,000 million.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13383 Exhibit No. 1
Submitted by:
Yates Petroleum Corporation
Hearing Date: December 16, 2004

4. Attachment A to this Affidavit is a copy of the Unit Agreement for the proposed Boots State Exploratory Unit. This agreement is on the New Mexico State Land Office State/Fee Unit Agreement form.

5. Attachment B is the plat to the Unit Agreement that shows the boundaries of the Boots State Exploratory Unit and the location of the initial unit test well.

6. Attachment C to this affidavit is a copy of Schedule B to the Unit Agreement for the Boots State Exploratory Unit that identifies the working interest ownership in the unit area. 100% percent of the working interest in the Unit Area is owned by Yates and its affiliated companies and is committed to the unit.

7. The schedule under Attachment C also identifies the royalty interest in the Unit Area. One hundred percent of the royalty interest is owned by the State of New Mexico and under Attachment D to this Affidavit is a letter from the New Mexico Commissioner of Public Lands giving preliminary approval of the State Land Office to the proposed Boots State Exploratory Unit. There are no overriding royalty interests in the Unit Area.

8. All interests in the Unit Area have been committed to the Unit.

9. Attachment E is a Mid Atoka Isopach Map. Yates is attempting to locate channel sands by utilizing 3-D seismic, log correlations, and regional mapping. Although these gas sands can be very productive, the channels can be very narrow and limited in aerial extent. Although these gas sands can be very productive, the channels are often narrow and limited in aerial extent. The targeted sand channels are shown on the map. These channel systems often show a slight thickening on the 3-D seismic data due to differential compaction from the sands and shales.

10. Attachment F, is Cross Section A-A', and shows this concept at the proposed Boots location. The targeted sand channel (shown in yellow) is thicker than the corresponding interval in the offsetting two wells. The first well on the cross section (the East Sand Springs #1) is shown as a producer, but has a cumulative production of only 17 BO and 1 MMCF. The Yates Roger well is also shown as a producer, but has only tested 78 MCF/D and is currently waiting on a pipeline. The last well on the map is the Yates Ray well. This well tested the same interval that is targeted in the proposed Boots well, and IP'd for 1.9 MMCF/D. The only other well on the mapped area which has significant production from the Atoka Morrow is the Reba well (shown with a purple dot in the southwest corner of the map). The Reba well has a cumulative production of 2 MBO and 115 MMCF in the first two months of production. None of the wells inside the proposed unit area show any production from any horizon. This lack of production inside the unit area and the several very poor producers immediately adjacent to the unit area emphasize the risk involved in drilling Atoka-Morrow wells.

11. The unit covers an area that can be reasonably developed under a unit plan.

12. Yates is attempting to develop deep Atoka Morrow production on acreage where there has been no production from any depth. Yates believes there is potential for channel sand development in this proposed unit.

13. This is a high risk project, but if the initial unit well is successful, additional wells will be drilled in the Unit Area. Accordingly, approval of the unit agreement will result in the efficient recovery of hydrocarbons.

14. Approval of the Boots State Exploratory Unit and the development of the Unit Area pursuant to a unit plan is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

FURTHER AFFIANT SAYETH NOT.

John Amiet 11/30/04

SUBSCRIBED AND SWORN before me on this 30th day of November, 2004.

Notary Public

My Commission Expires:
10/9/08