



HARVEY E. YATES COMPANY

A MEMBER COMPANY OF HEYCO ENERGY GROUP

February 27, 2007

2007 MAR 1 PM 1 40

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

Attention: Sr. Petroleum Geologist

Re: PLAN OF DEVELOPMENT
& OPERATIONS, 2007
RICHARDSON UNIT
T-13 & 14S, R-36E, N.M.P.M.
Lea County, New Mexico

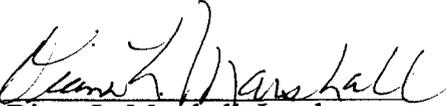
Ladies & Gentlemen:

Attached is a copy of the 2007 Plan of Development and Operation for the Richardson Unit, with pertinent enclosures, which has been submitted to the Commissioner of Public Lands for approval.

Harvey E. Yates Company respectfully requests your approval of this 2007 Plan of Development.

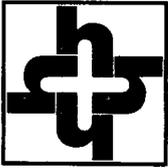
Very truly yours,

HARVEY E. YATES COMPANY

By: 
Diana L. Marshall, Land

/dlm
Enclosures

Richardsonpodocd2007.doc/Land:Richardson



HARVEY E. YATES COMPANY

A MEMBER COMPANY OF HEYCO ENERGY GROUP

February 27, 2007

New Mexico Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Attention: Pete Martinez

Re: 2007 PLAN OF DEVELOPMENT
AND OPERATIONS
RICHARDSON UNIT
T-13 & 14S, R-36E, N.M.P.M.
Lea County, New Mexico

Ladies & Gentleman:

As prescribed by Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company (HEYCO), as Operator, hereby submits this 2007 Plan of Development and Operations, in triplicate.

There is one (1) producing well in the Unit, being the Richardson Unit #1. HEYCO has prepared and attached hereto, the 2006 production report for the well and a plat of the Unit indicating the location of the well.

The Richardson Unit #1 well was completed to the plugged back depth of 13,393' as a producing well on November 10, 1982, but we were unable to connect the well to a pipeline until late 1984. The well is still producing. The Richardson Fee #2 well was drilled as a southeast offset to the Unit and was a dry hole; however, it was converted to a water disposal well in 1983. Another well drilled in the area was the Richardson Fee #1 well, a south offset to the Richardson Unit #1, which was completed in February, 1982 in the Austin formation, flowing from 13,335', and is still producing in minimum quantity at this time. A fourth well drilled in the area was also an offset to the Unit and was completed to the plugged back depth of 10,445' as a Bough "C" oil well, but has since been plugged without paying out the cost of drilling and producing of the well.

In 2004, HEYCO worked over the Austin Monteith Com. #1 well located in the W/2 Section 8 to the south of the Unit without a lot of success, but in 2005 HEYCO worked over the Richardson Fee #1 well located in the NW/4 Section 5, a south offset to the Richardson Unit #1, and re-completed the well in the Wildcat Wolfcamp Formation. HEYCO is now evaluating this well before making any additional plans, as the original plan was to progress north with the workover from the Austin Monteith Com #1 well to the Richardson Fee #1 and then into the Unit for a workover of the Richardson Unit #1 or a new well. HEYCO, at this time, has not changed the plan, but has not received any additional information or data that warrants the drilling of another well at this time. We will continue to evaluate the wells in the area for additional data.

Based on the information submitted herewith, HEYCO respectfully requests that the Commissioner of Public Lands approve this 2007 Plan of Development and Operation.

Sincerely,

Vernon D. Dyer, CPL #3174
Senior Landman, Permian Basin

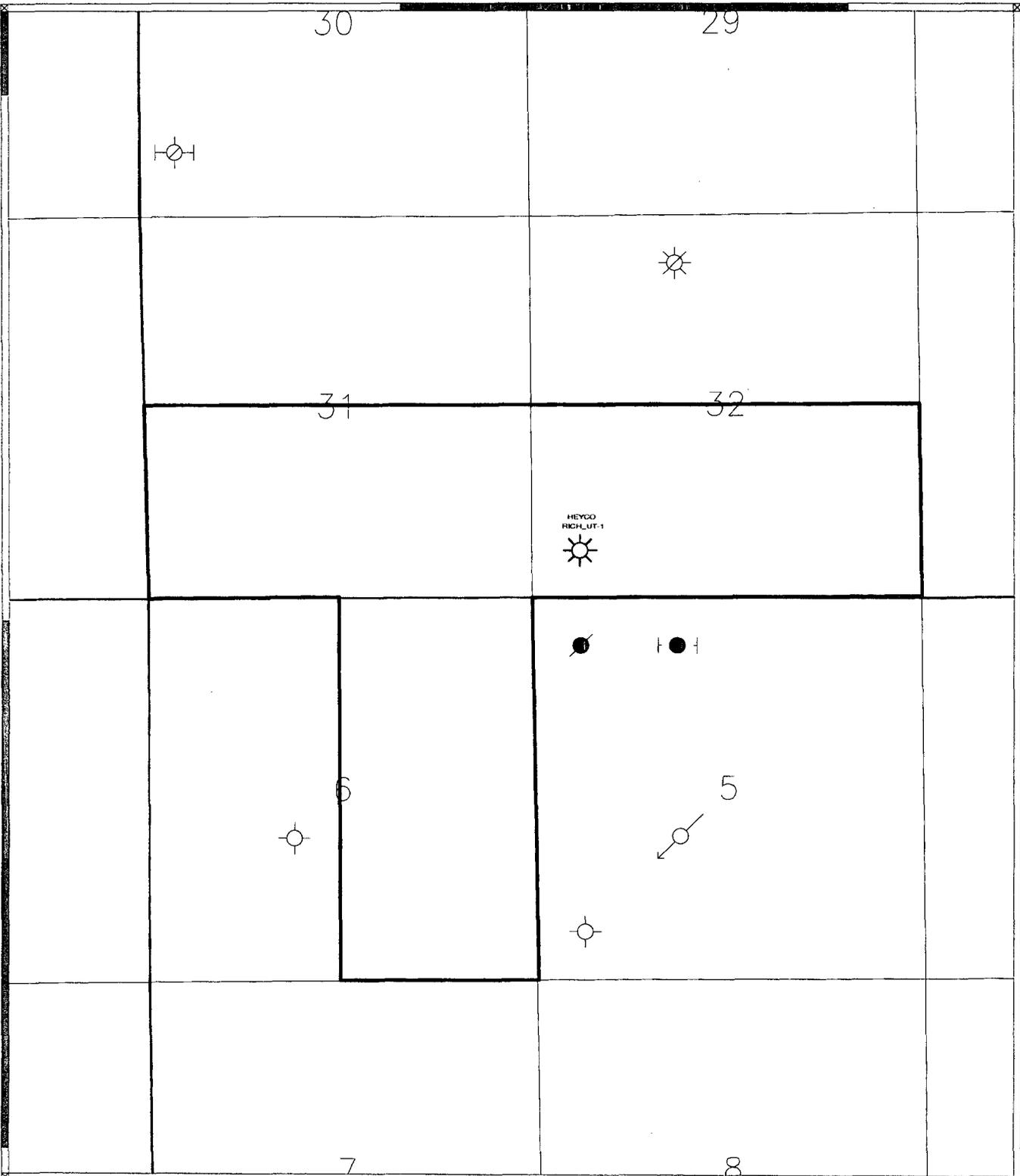
VDD/dlm
Enclosures
RichardsonUnitPOD2007.doc/Land:Richardson

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

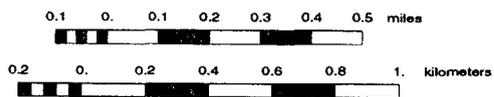
Richardson Unit #1 (only well in Richardson Unit)
Unit M, Section 32 - Township 14 South - Range 36 East
API # 30-025-27783
Lea County, New Mexico

***** PRODUCTION *****

Month	Oil	Gas	Water
Jan-06	25	1,951	2
Feb-06	4	1,298	-
Mar-06	20	1,950	5
Apr-06	6	1,765	7
May-06	5	3,326	53
Jun-06	-	3,063	26
Jul-06	-	3,109	20
Aug-06	-	2,730	6
Sep-06	2	2,503	-
Oct-06	-	2,647	10
Nov-06	-	2,417	10
Dec-06	29	2,383	9
2006	91	29,142	148



Scale 1:24000.



Harvey E. Yates Company

RICHARDSON UNIT
T-13-S R-36-E
LEA COUNTY, NEW MEXICO

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Scale 1:24000

2/27/2007