

Stonewall AQK St. Com. #1
E/2 Section 20-20S-28E

	WI % BPO
Yates Petroleum Corporation	19.635145 %
Yates Drilling Company	7.741985
Abe Petroleum Corporation	2.580662
Myco Industries, Inc.	7.741985
Unit Petroleum Company	8.828676
Ernie Bello	0.020248
Frances B. Bunn	0.020248
J. W. Gendron	0.030374
David Goodnow	0.020248
Joseph R. Hodge	0.003376
Sanford J. Hodge, III	0.003376
E. G. Holden Test. Trust	0.010122
Isaac A. Kawasaki	0.020248
Betsy H. Keller	0.010122
Charles Cline Moore	0.050622
Agnes Clotthe Oliver Trust	0.020248
William B. Oliver Trust	0.020248
Adolph P. Schuman	0.020248
Space Building Corp.	0.050622
Frederick Van Vranken	0.020248
Claremont Corporation	0.306158
Mary Hudson Ard	1.632844
W.A. & E.R. Hudson, Inc.	3.265689
Hayes Properties, Inc.	0.230081
Kerr-McGee Corporation	0.017892
Diamond Head Properties, L.P.	23.416249 **
Pennzoil Exploration & Prod. C	0.086280
R. Ken Williams	0.012372
Edward H. Judson	0.012372
Martin Living Trust	0.012372
Devon Energy Corporation	0.057520
InterCoast Oil & Gas (F/O Kerr-McGee)	<u>24.101120</u> 100.000000 %
Total - Yates, et al	41.731331 %

Diamond Head is remaining neutral in this case
Total excluding Diamond Head 54.491103 %

YATES PROPERTIES, INC.
P.O. Box 51510
Midland, Texas 79710-1510
(915) 682-4336

December 16, 1996

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Re: Stonewall AQK St. Com. #1
T-20-S, R-28-E
Section 20: E/2
Eddy County, NM

Stonewall DD St. #3
T-20-S, R-28-E
Section 20: W/2
Eddy County, NM

Gentlemen:

Hayes Properties, Inc. is in favor of the captioned wells being drilled on an E/2 - W/2 basis. We also support Yates Petroleum Corporation as Operator of the well located in the E/2.

Thank you for your assistance and please call should you have any questions.

Sincerely,



M. Brad Bennett

cc: Well Files
Correspondence

R. KEN WILLIAMS

400 W. Illinois, Suite 1110
Midland, Texas

P. O. Box 10626
Midland, Texas 79702-7626
915/684-5765 (FAX) 682-9904

December 12, 1996

Yates Petroleum Corporation
Attn: Mecca Mauritsen
105 South Fourth Street
Artesia, New Mexico 88210

Re: Stonewall AQK St. Com. #1
Township 20 South, Range 28 East
Section 20: E/2

Stonewall DD St. #3
Township 20 South, Range 28 East
Section 20: W/2
Eddy County, New Mexico

Dear Ms. Mauritsen:

R. Ken Williams is in favor of the captioned wells being drilled on an E/2-W/2 basis. We also support Yates Petroleum Corporation as Operator of the well located in the E/2.

Thank you.

Very truly yours,


R. Ken Williams

RKW/mp

Post-It® Fax Note	7671	Date	12/13/96	# of pages	1
To:	Mecca Mauritsen	From:	Bob Hedger		
Co./Dept:	Yates Petrol.	Co.	R.K. Williams		
Phone #		Phone #			
Fax #		Fax #			

616 TEXAS STREET
FORT WORTH, TEXAS 76102-4612

EDWARD R. HUDSON, JR.
WILLIAM A. HUDSON II
E. RANDALL HUDSON III

December 11, 1996

817-336-7109
FAX 817-334-0442

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

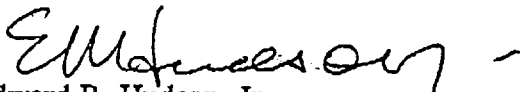
Re: Stonewall AQK St. Com #1
Township 20 South, Range 28 East
Section 20: E/2

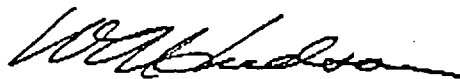
Stonewall DD St. #3
Township 20 South, Range 28 East
Section 20: W/2
Eddy County, New Mexico

Gentlemen:

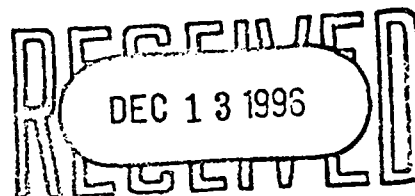
William A. Hudson II and Edward R. Hudson Jr., are in favor of the captioned wells being drilled on an E/2-W/2 rather than a N/2-S/2 basis. We also support Yates Petroleum Corporation as Operator of the well located in the E/2.

Yours truly,


Edward R. Hudson, Jr.


William A. Hudson II

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210



Attn: Mecca Mauritsen

Re: Stonewall DD State #3
Stonewall AQK St. Com #1
Eddy County, New Mexico

Dear Ms. Mauritsen:

Enclosed are two AFE's signed by the Martin Living Trust evidencing its election to participate in the above referenced wells.

Once drilling operations begin, please provide the following information:

- 1) Daily drilling reports by fax to (915) 682-6037
- 2) One (1) copy of any mud log
- 3) One (1) copy of all logs run
- 4) One (1) copy of any DST information
- 5) One (1) copy of any core analysis run
- 6) One (1) copy of all reports filed with the New Mexico Oil Conservation Division and/or any State or Federal agency.

Except for the daily drilling reports, all other information may be sent by mail to the above captioned address.

Please let me know if you have any questions or comments.

Sincerely,

Martin Living Trust

William H. Martin

SHARE

SPACE BUILDING CORPORATION

0.050622

By: _____ DATE _____

FREDERICK VAN VRANKEN

0.020248

By: _____ DATE _____

CLAREMONT CORPORATION

0.306158

By: _____ DATE _____

MARY HUDSON ARD

1.632844

By: _____ DATE _____

W.A. & E.R. HUDSON, INC.

3.265689

By: _____ DATE _____

HAYES PROPERTIES, INC.

0.230081

By: _____ DATE _____

KERR-MCGEE CORPORATION

0.017892

By: _____ DATE _____

DIAMOND HEAD PROPERTIES, L.P.

23.416249

By: _____ DATE _____

PENNZOIL EXPLORATION & PRODUCTION COMPANY

0.086280

By: _____ DATE _____

R. KEN WILLIAMS

0.012372

By: _____ DATE _____

EDWARD H. JUDSON

0.012372

By: _____ DATE _____

MARTIN LIVING TRUST

0.012372

By: Wm W. H. H. H. DATE 12/10/96

DEVON ENERGY CORPORATION

0.057520

By: _____ DATE _____

INTERCOAST OIL & GAS

24.101120

By: _____ DATE _____

TOTAL

100.000000

CLAREMONT CORPORATION

P.O. 549
CLAREMORE, OKLA. 74018

(918) 341-6622

December 6, 1996

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Attn: Mecca Mauritsen

Re: Stonewall AQK St. Com #1
Section 20-20S-28E
Eddy County, New Mexico

Dear Mecca,

Attached you will find the AFE signed as requested on the above referenced well. As in the past, we will support your operations. If I can be of further assistance, please let me know. Thank you.

Sincerely,



Sharon Ashworth
Admin Asst

FWP/sea
Enclosure

SHARE

SPACE BUILDING CORPORATION

0.050622

By: _____ DATE _____

FREDERICK VAN VRANKEN

0.020248

By: _____ DATE _____

CLAREMONT CORPORATION

0.306158

By: Frank W. Polpuckan DATE 12/6/96

MARY HUDSON ARD

1.632844

By: _____ DATE _____

W.A. & E.R. HUDSON, INC.

3.265689

By: _____ DATE _____

HAYES PROPERTIES, INC.

0.230081

By: _____ DATE _____

KERR-MCGEE CORPORATION

0.017892

By: _____ DATE _____

DIAMOND HEAD PROPERTIES, L.P.

23.416249

By: _____ DATE _____

PENNZOIL EXPLORATION & PRODUCTION COMPANY

0.086280

By: _____ DATE _____

R. KEN WILLIAMS

0.012372

By: _____ DATE _____

EDWARD H. JUDSON

0.012372

By: _____ DATE _____

MARTIN LIVING TRUST

0.012372

By: _____ DATE _____

DEVON ENERGY CORPORATION

0.057520

By: _____ DATE _____

INTERCOAST OIL & GAS

24.101120

By: _____ DATE _____

TOTAL

100.000000

SHARE

WHITING PETROLEUM CORPORATION

2.202137

By: _____ DATE _____

ERNIE BELLO

0.020248

By: _____ DATE _____

FRANCES B. BUNN

0.020248

By: _____ DATE _____

J.W. GENDRON

0.030374

By: _____ DATE _____

DAVID GOODNOW

0.020248

By: _____ DATE _____

JOSEPH R. HODGE

0.003376

By: _____ DATE _____

SANFORD J. HODGE, III

0.003376

By:  DATE 12/1/91

E.G. HOLDEN TEST. TRUST

0.010122

By: _____ DATE _____

ISAAC A. KAWASAKI

0.020248

By: _____ DATE _____

BETSY H. KELLER

0.010122

By: _____ DATE _____

CHARLES CLINE MOORE

0.050622

By: _____ DATE _____

AGNES CLUTHE OLIVER TRUST

0.020248

By: _____ DATE _____

WILLIAM B. OLIVER TRUST

0.020248

By: _____ DATE _____

ADOLPH P. SCHUMAN

0.020248

By: _____ DATE _____

STONEWALL AQK ST. COM.
Sec. 20-T20S-R28E
Eddy County, New Mexico

FE #96-287-0
Date: 11-14-96
Page 3

SHARE

SPACE BUILDING CORPORATION

0.050622

By: _____ DATE _____

FREDERICK VAN VRANKEN

0.020248

By: _____ DATE _____

CLAREMONT CORPORATION

0.306158

By: _____ DATE _____

MARY HUDSON ARD

1.632844

By: _____ DATE _____

W.A. & E.R. HUDSON, INC.

3.265689

By: _____ DATE _____

HAYES PROPERTIES, INC.

0.230081

By: _____ DATE _____

KERR-MCGEE CORPORATION

0.017892

By: _____ DATE _____

DIAMOND HEAD PROPERTIES, L.P.

23.416249

By: _____ DATE _____

PENNZOIL EXPLORATION & PRODUCTION COMPANY

0.086280

By: _____ DATE _____

R. KEN WILLIAMS

0.012372

By: _____ DATE _____

EDWARD H. JUDSON

0.012372

By: Edward H. Judson DATE 12-4-96

MARTIN LIVING TRUST

0.012372

By: _____ DATE _____

DEVON ENERGY CORPORATION

0.057520

By: _____ DATE _____

INTERCOAST OIL & GAS

24.101120

By: _____ DATE _____

TOTAL

100.000000

SHARE

WHITING PETROLEUM CORPORATION

2.202137

By: _____ DATE _____

ERNIE BELLO

0.020248

By:  DATE 11/27/96

FRANCES B. BUNN

0.020248

By: _____ DATE _____

J.W. GENDRON

0.030374

By: _____ DATE _____

DAVID GOODNOW

0.020248

By: _____ DATE _____

JOSEPH R. HODGE

0.003376

By: _____ DATE _____

SANFORD J. HODGE, III

0.003376

By: _____ DATE _____

E.G. HOLDEN TEST. TRUST

0.010122

By: _____ DATE _____

ISAAC A. KAWASAKI

0.020248

By: _____ DATE _____

BETSY H. KELLER

0.010122

By: _____ DATE _____

CHARLES CLINE MOORE

0.050622

By: _____ DATE _____

AGNES CLUTHE OLIVER TRUST

0.020248

By: _____ DATE _____

WILLIAM B. OLIVER TRUST

0.020248

By: _____ DATE _____

ADOLPH P. SCHUMAN

0.020248

By: _____ DATE _____

SHARE

WHITING PETROLEUM CORPORATION

2.202137

By: _____ DATE _____

ERNIE BELLO

0.020248

By: _____ DATE _____

FRANCES B. BUNN

0.020248

By: Frances B Bunn DATE 11/25/96

J.W. GENDRON

0.030374

By: _____ DATE _____

DAVID GOODNOW

0.020248

By: _____ DATE _____

JOSEPH R. HODGE

0.003376

By: _____ DATE _____

SANFORD J. HODGE, III

0.003376

By: _____ DATE _____

E.G. HOLDEN TEST. TRUST

0.010122

By: _____ DATE _____

ISAAC A. KAWASAKI

0.020248

By: _____ DATE _____

BETSY H. KELLER

0.010122

By: _____ DATE _____

CHARLES CLINE MOORE

0.050622

By: _____ DATE _____

AGNES CLUTHE OLIVER TRUST

0.020248

By: _____ DATE _____

WILLIAM B. OLIVER TRUST

0.020248

By: _____ DATE _____

ADOLPH P. SCHUMAN

0.020248

By: _____ DATE _____

SHARE

SPACE BUILDING CORPORATION

0.050622

By: Robert L. Moore DATE 11/26/96

FREDERICK VAN VRANKEN

0.020248

By: _____ DATE _____

CLAREMONT CORPORATION

0.306158

By: _____ DATE _____

MARY HUDSON ARD

1.632844

By: _____ DATE _____

W.A. & E.R. HUDSON, INC.

3.265689

By: _____ DATE _____

HAYES PROPERTIES, INC.

0.230081

By: _____ DATE _____

KERR-MCGEE CORPORATION

0.017892

By: _____ DATE _____

DIAMOND HEAD PROPERTIES, L.P.

23.416249

By: _____ DATE _____

PENNZOIL EXPLORATION & PRODUCTION COMPANY

0.086280

By: _____ DATE _____

R. KEN WILLIAMS

0.012372

By: _____ DATE _____

EDWARD H. JUDSON

0.012372

By: _____ DATE _____

MARTIN LIVING TRUST

0.012372

By: _____ DATE _____

DEVON ENERGY CORPORATION

0.057520

By: _____ DATE _____

INTERCOAST OIL & GAS

24.101120

By: _____ DATE _____

TOTAL

100.000000

SHARE

WHITING PETROLEUM CORPORATION

2.202137

By: _____ DATE _____

ERNIE BELLO

0.020248

By: _____ DATE _____

FRANCES B. BUNN

0.020248

By: _____ DATE _____

J.W. GENDRON

0.030374

By: _____ DATE _____

DAVID GOODNOW

0.020248

By: _____ DATE _____

JOSEPH R. HODGE

0.003376

By: _____ DATE _____

SANFORD J. HODGE, III

0.003376

By: _____ DATE _____

E.G. HOLDEN TEST. TRUST

0.010122

By: _____ DATE _____

ISAAC A. KAWASAKI

0.020248

By: _____ DATE _____

BETSY H. KELLER

0.010122

By: _____ DATE _____

CHARLES CLINE MOORE

0.050622

By: _____ DATE _____

AGNES CLUTHE OLIVER TRUST

0.020248

By: _____ DATE _____

WILLIAM B. OLIVER TRUST

0.020248

Brown Brothers Harriman Trust

By: Company of Texas Trust DATE 11/26/96

By: R. B. M. J.

Executive Vice President

ADOLPH P. SCHUMAN

0.020248

By: _____ DATE _____

SHARE

WHITING PETROLEUM CORPORATION

2.202137

By: _____ DATE _____

ERNIE BELLO

0.020248

By: _____ DATE _____

FRANCES B. BUNN

0.020248

By: _____ DATE _____

J.W. GENDRON

0.030374

By: _____ DATE _____

DAVID GOODNOW

0.020248

By: _____ DATE _____

JOSEPH R. HODGE

0.003376

By: _____ DATE _____

SANFORD J. HODGE, III

0.003376

By: _____ DATE _____

E.G. HOLDEN TEST. TRUST

0.010122

By: _____ DATE _____

ISAAC A. KAWASAKI

0.020248

By: _____ DATE _____

BETSY H. KELLER

0.010122

By: _____ DATE _____

CHARLES CLINE MOORE

0.050622

By: _____ DATE _____

AGNES CLUTHE OLIVER TRUST

0.020248

Brown Brothers Harriman Trust

By: Company of Texas *Int'l* _____ DATE 11/26/96

By: *R.H.M. King*
Executive Vice President

WILLIAM B. OLIVER TRUST

0.020248

By: _____ DATE _____

ADOLPH P. SCHUMAN

0.020248

By: _____ DATE _____

devon

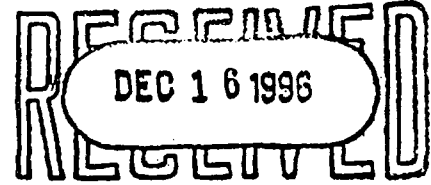
ENERGY CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Telephone: (405) 235-3611
Fax: (405) 552-4667

CERTIFIED MAIL: P-052-590-566
RETURN RECEIPT REQUESTED

December 11, 1996



Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attn: Mecca Mauritsen

Re: Stonewall AQK St. Com #1
E/2 Section 20-T20S-R28E
Eddy County, New Mexico

Dear Ms. Mauritsen:

Enclosed please find Yates' AFE for the drilling of the captioned 11,500' Morrow gas well which has been approved by Devon Energy Corporation (Nevada) along with our well information requirements to be furnished as soon as available.

Yours truly,

DEVON ENERGY CORPORATION (NEVADA)

A handwritten signature in cursive script, appearing to read 'Sharon Luttrell'.

Sharon Luttrell
Land Tech

enclosures

SHARE

SPACE BUILDING CORPORATION

0.050622

By: _____ DATE _____

FREDERICK VAN VRANKEN

0.020248

By: _____ DATE _____

CLAREMONT CORPORATION

0.306158

By: _____ DATE _____

MARY HUDSON ARD

1.632844

By: _____ DATE _____

W.A. & E.R. HUDSON, INC.

3.265689

By: _____ DATE _____

HAYES PROPERTIES, INC.

0.230081

By: _____ DATE _____

KERR-MCGEE CORPORATION

0.017892

By: _____ DATE _____

DIAMOND HEAD PROPERTIES, L.P.

23.416249

By: _____ DATE _____

PENNZOIL EXPLORATION & PRODUCTION COMPANY

0.086280

By: _____ DATE _____

R. KEN WILLIAMS

0.012372

By: _____ DATE _____

EDWARD H. JUDSON

0.012372

By: _____ DATE _____

MARTIN LIVING TRUST

0.012372

By: _____ DATE _____

DEVON ENERGY CORPORATION (NEVADA)

0.057520

By: Steven K. Blair DATE 12-6-96

STEVEN K. BLAIR

Manager Outside Operations

INTERCOAST OIL & GAS

24.101120

By: _____ DATE _____

TOTAL

100.000000

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

November 22, 1996

To: Working Interest Owners
Addressee List Attached

CERTIFIED MAIL
Return Receipt Requested

RE: Stonewall AQK St. Com #1
Township 20 South, Range 28 East
Section 20: E/2
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation is proposing to drill the Stonewall AQK St. Com. #1 at a location of 990' FNL and 990' FEL of Section 20-20S-38E to test the Morrow formation. Enclosed for your review are two (2) copies of our AFE to drill.

If you wish to participate in the drilling of this well, please sign and return one (1) executed copy of the AFE within the thirty (30) days provided in the Operating Agreement. The parties not subject to the Operating Agreement will need to also execute a Limited Ratification to the Operating Agreement if they desire to participate in this well. A Ratification has been enclosed for those parties.

Should you have any questions, please call me at the above number.

Very truly yours,

YATES PETROLEUM CORPORATION

Mecca Mauritsen
Landman

MM:bn
enclosure(s)

U.S. ONSHORE - E & P
NOV 23 1996

SHARE

SPACE BUILDING CORPORATION	0.050622
By: _____ DATE _____	
FREDERICK VAN VRANKEN	0.020248
By: _____ DATE _____	
CLAREMONT CORPORATION	0.306158
By: _____ DATE _____	
MARY HUDSON ARD	1.632844
By: _____ DATE _____	
W.A. & E.R. HUDSON, INC.	3.265689
By: _____ DATE _____	
HAYES PROPERTIES, INC.	0.230081
By: _____ DATE _____	
KERR-MCGEE CORPORATION	0.017892
By: <u>Cindy E. Sparkman</u> DATE <u>12/16/96</u>	
DIAMOND HEAD PROPERTIES, L.P.	23.416249
By: _____ DATE _____	
PENNZOIL EXPLORATION & PRODUCTION COMPANY	0.086280
By: _____ DATE _____	
R. KEN WILLIAMS	0.012372
By: _____ DATE _____	
EDWARD H. JUDSON	0.012372
By: _____ DATE _____	
MARTIN LIVING TRUST	0.012372
By: _____ DATE _____	
DEVON ENERGY CORPORATION	0.057520
By: _____ DATE _____	
INTERCOAST OIL & GAS	24.101120
By: _____ DATE _____	
TOTAL	100.000000