STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Re: CASE NO. 9181
ORDER NO. R-8510

Applicant:

~~Yates Petroleum Corporation~~

Mr. David Vandiver
Dickerson, Fisk & Vandiver
Attorneys at Law
Seventh and Mahone, Suite E
Artesia, New Mexico 88210

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other James Bruce

YATES PETROLEUM CORPORATION

YATES BUILDING 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

Chris R. / 7-8 / 7/1 Sy

AUGUST, 1987

PROPERTY NUMBER 16058-01-0
PROPERTY NAME BURTON AER COM #1 YPC
LOCATION 16S 37E 026 LEA NM

DATE	ACCT	DESCRIPTION	VENDOR/INVOICE		GROSS AMOUNTS
7/31/87	9210	APPL.F/COMP.POOLING	DICKERSON, F	7-31-87	1,260.00
7/23/87	9210	ABSTRACT 16S-37E-SEC.26	LEA COUNTY A	35225	2,695.85
		TOTAL INTANGIBLE DRILLING COSTS			3,955.85
		TOTAL GROSS JOINT INTEREST BILLING COSTS			3,955.85

OWNER	*---------OWNERS NAME---------*	INTEREST	SHARE AMOUNT
00500	ABO PETROLEUM CORP.	.18558760	734.16
41100	HAYNIE, ROBERT L.	.00781250	30.90
45860	INEXCO OIL COMPANY	.24983720	988.31
64001	MYCO INDUSTRIES, INC.	.18558760	734.16
99410	YATES DRILLING COMPANY	.18558760	734.16
99990	YATES PETROLEUM CORPORATION	.18558750	734.16
	TOTALS	1.00000000	3,955.85 **

TERMS: NET CASH FIFTEEN (15) DAYS AFTER RECEIPT OF INVOICE

YATES PETROLEUM CORPORATION

YATES BUILDING · 207 SOUTH 4TH ST
ARTESIA, NEW MEXICO · 88210

SEPTEMBER, 1987

PROPERTY NUMBER 16058-01-0
PROPERTY NAME BURTON AER COM #1 YPC
LOCATION 16S 37E 026 LEA NM

DATE	ACCT	DESCRIPTION	VENDOR/INVOICE		GROSS AMOUNTS
9/11/87	9210	EXAM.OIL & GAS LEASES	DICKERSON, F	9-11-87	3,990.00
9/23/87	9210	STAKE WELL LOC.	GENERAL SURV	5012	185.75
10/03/87	9211	LOCATION, RIGHT-OF-WAY	DUDLEY SALES	2226	2,094.02
10/05/87	9220	TOOL& EQP RNTL,TRUCKING & WLDG	CROCKETT TRU	2709WF	161.68
9/30/87	9221	09/87 ENGR. SERVICE			280.00
		TOTAL INTANGIBLE DRILLING COSTS			6,711.45
		TOTAL GROSS JOINT INTEREST BILLING COSTS			6,711.45

OWNER	*---------OWNERS NAME---------*	INTEREST	SHARE AMOUNT
00500	ABO PETROLEUM CORP.	.18558760	1,245.55
41100	HAYNIE, ROBERT L.	.00781250	52.49
45360	INEXCO OIL COMPANY	.24983720	1,676.76
64001	MYCO INDUSTRIES, INC.	.18558760	1,245.55
99410	YATES DRILLING COMPANY	.18558760	1,245.55
99990	YATES PETROLEUM CORPORATION	.18558750	1,245.55
	TOTALS	1.00000000	6,711.45 **

TERMS NET CASH FIFTEEN (15) DAYS AFTER RECEIPT OF INVOICE

YATES PETROLEUM CORPORATION

YATES BUILDING · 207 SOUTH 4TH ST

ARTESIA, NEW MEXICO · 88210

OCTOBER, 1987

PROPERTY NUMBER 16058-01-0

PROPERTY NAME BURTON AER COM #1 YPC

LOCATION 16S 37E 026 LEA NM

DATE	ACCT	DESCRIPTION	VENDOR/INVOICE		GROSS AMOUNTS
10/31/87	5103	17456A PRE-FAB H FRAME			75.00
		TOTAL LEASE OPERATING EXPENSE			75.00
10/02/87	9211	LOCATION, RIGHT-OF-WAY	CONE, KATHLE	92904	300.00
10/02/87	9211	LOCATION, RIGHT-OF-WAY	SHIPP, B.E.,	92903	2,508.00
10/13/87	9214	DRILLING WATER	MCLAIN TRUCK	53422	182.49
10/19/87	9214	DRILLING WATER	MCLAIN TRUCK	53448	517.04
10/08/87	9214	RENTAL ON FAS-LINE	RIO TANKS, I	10-107	1,867.86
10/02/87	9214	DRILLING WATER	SHIPP, B.E.,	92903	1,000.00
10/15/87	9214	DRILLING WATER	SONNY'S OILF	10119	2,177.68
10/07/87	9215	DRILLING MUD & ADDITIVES	ARTESIA LUMB	10007	5,592.07
10/22/87	9215	DRILLING MUD & ADDITIVES	ARTESIA LUMB	10008	5,387.06
10/05/87	9216	SAMPLE BAGS	BEARING SERV	96536	186.90
10/27/87	9216	MUD LOGGING	NOLES, W. B.	87011	5,167.84
10/08/87	9217	LAY DOWN CREW/CLN PIN & BOX	MATADOR CASI	2137	1,072.94
10/05/87	9217	CMT,CMT TOOLS&SERV.TEMP.SURVEY	MATADOR CASI	2169	1,456.03
10/10/87	9217	CMT,CMT TOOLS&SERV.TEMP.SURVEY	MATADOR CASI	2175	1,852.20
10/05/87	9217	CMT,CMT TOOLS&SERV.TEMP.SURVEY	WESTERN CO.	48775	3,903.80
10/10/87	9217	CMT,CMT TOOLS&SERV.TEMP.SURVEY	WESTERN CO.	49742	11,643.47
10/12/87	9218	DRILL STEM TESTING	B C SERVICE	18822	1,033.90
10/27/87	9219	ELECTRIC LOGS	SCHLUMBERGER	4678571	24,733.37
10/12/87	9220	TOOL& EQP RNTL,TRUCKING & WLDG	YELLOW JACKE	10-122-T	1,508.06
10/22/87	9220	TOOL& EQP RNTL,TRUCKING & WLDG	YELLOW JACKE	10-131-T	973.56
10/07/87	9220	TOOL& EQP RNTL,TRUCKING & WLDG	CROCKETT TRU	2713WF	1,301.14
10/31/87	9221	10/87 DRLG OH-26 DYS @ 174.19			4,529.03
10/31/87	9221	10/87 ENGR. SERVICE			7,000.00
10/31/87	9221	10/87 GEOLOGIST			700.00
10/08/87	9224	BITS, TOOL & SUPPLIES PURCHASE	BEARING SERV	96559	57.46
10/28/87	9224	BITS, TOOL & SUPPLIES PURCHASE	BEARING SERV	96675	530.20
10/27/87	9235	CMT,CMT TLS,SVC,TMP SUR-PRD SV	MATADOR CASI	2084	1,275.96
10/29/87	9235	CMT,CMT TLS,SVC,TMP SUR-PRD SV	MATADOR CASI	2223	2,809.17
11/02/87	9246	TOOL&EQUIP.RENTAL,TRKG & WLDG.	ARTESIA FIEL	2273HS	208.38
		TOTAL INTANGIBLE DRILLING COSTS			91,475.61
10/31/87	9301	174'6B 2 3K LP GV #814191			615.00
10/05/87	9301	8 5/8IN.CSGHD,NIPPLE&BULL PLG	BEARING SERV	96536	1,277.19
10/31/87	9302	17492A 8 5/8 32# J-55 STC CSG			55,325.43
10/05/87	9302	17J"S.13 3/8IN.J55 CSG.	BEARING SERV	96536	11,457.00
10/30/87	9302	SNDBLST 600'20#5 1/2IN.N80 CSG	ARTESIA FIEL	2267SB	329.30
10/28/87	9302	1412'5 1/2IN.20# N80 CSG.	BEARING SERV	96675	16,642.45
10/28/87	9302	600'SNDBLST 5 1/2IN.20# CSG.	BEARING SERV	96675	7,070.70
10/28/87	9302	5035'5 1/2IN.17# N80 CSG.	BEARING SERV	96675	51,207.03
10/28/87	9302	1485'5 1/2IN.17# N80 LTC CSG.	BEARING SERV	96675	15,102.00
10/28/87	9302	3636'5 1/2IN.17# 8RD.CSG.	BEARING SERV	96675	36,979.22

YATES PETROLEUM CORPORATION
YATES BUILDING 207 SOUTH 4TH ST
ARTESIA, NEW MEXICO 88210

OCTOBER, 1987

PROPERTY NUMBER 16058-01-0
PROPERTY NAME BURTON AER COM #1 YPC
LOCATION 16S 37E 026 LEA NM

DATE	ACCT	DESCRIPTION	VENDOR/INVOICE	GROSS AMOUNTS
			TOTAL WELL EQUIPMENT COSTS	196,005.32
			TOTAL GROSS JOINT INTEREST BILLING COSTS	287,555.93

OWNER	*---------OWNERS NAME---------*	INTEREST	SHARE AMOUNT
00500	ABO PETROLEUM CORP.	.18558760	53,366.81
41100	HAYNIE, ROBERT L.	.00781250	2,246.55
45860	INEXCO OIL COMPANY	.24983720	71,842.16
64001	MYCO INDUSTRIES, INC.	.18558760	53,366.81
99410	YATES DRILLING COMPANY	.18558760	53,366.81
99990	YATES PETROLEUM CORPORATION	.18558750	53,366.79
	TOTALS	1.00000000	287,555.93 **

TERMS: NET CASH FIFTEEN (15) DAYS AFTER RECEIPT OF INVOICE