

S. P. YATES
PRESIDENT

JOHN A. YATES
VICE PRESIDENT

B. W. HARPER
SEC. - TREAS.

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210 TELEPHONE (505) 748-1471

November 13, 1986

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: WORKING INTEREST OWNERS
ADDRESSEE LIST ATTACHED

Re: Humble City "ACL" #1

Township 17 South, Range 37 East

Section 14: N/2NE/4 Lea County, New Mexico

Gentlemen:

As most of you know, Yates Petroleum Corporation would like to see a well drilled on the captioned acreage. The well has been brought up in previous conversations with no action ever taken. We feel drainage from the offset well in the S/2NE/4 of 14, T17S-R37E is a major concern, and should not be taken lightly.

Accordingly, Yates Petroleum Corporation proposes the drilling of an 11,800' Atoka test to be located 760' FNL and 1880' FEL of Section 14, Township 17 South, Range 37 East. 27.0875% of the spacing unit belongs to parties under Yates Petroleum Corporation's Humble City Working Interest Unit Operating Agreement and those parties will be notified by separate cover letter. All parties are listed on the addressee list with their approximate percentages.

Enclosed are two copies of Authority for Expenditure for the drilling of this well and we invite all parties to join and drill with us. A detailed Operating Agreement is being prepared and will follow shortly. Yates Petroleum Corporation is also filing with the Oil Conservation Division for compulsory pooling. You will receive notice of the date of the hearing and all notices from our attorney.

Please contact me should you have any questions.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Kathy H./Coll

Landman

YATES PETROLEUM CORPORATION
Case No. 9058
2/4/87 Examiner Hearing
Exhibit No. 4

HUMBLE CITY "ACL" #1 WORKING INTEREST OWNERS Township 17 South, Range 37 East Section 14: N/2NE/4 Lea County, New Mexico

Exxon Company, USA 2.0875% P. O. Box 1600 Midland, Texas 79702 ATTN Harry Hugly

34.30586% 2950 North Loop West, Ste. 12000 1200 Milam Building Houston; Texas 77092 ATTN Ken Steer

Inexco

Amerada Hess 18.81289% Houston, Texas 77002-5681

LDM Associates Colin McMilan 5.53320% David Petroleum 6.63985% 118 West First Street Roswell, New Mexico 88201 ATTN Bill Owen

Nadine Loveless 2.05924% Box 566 Roswell, New Mexico 88201 Lucinda Loveless Hershenhorn 1.02873%

808 East Deerpath Road Lake Forest, Illinois 60045 Carolyn Schlicher 1.02873% Fred Schlicher 1.41650% P. O. Box 606 Roswell, New Mexico 88201

Parties to Humble City Working Interest Unit:

Mesa Petroleum Co. 2.23030% P. O. Box 2009 Amarillo, Texas 79189 ATTN Mark Seale

Texas American Oil Corporation 2.69866% 300 West Wall, Ste. 400 Midland, Texas 79701 ATTN Charles Snow

Rio Pecos Corporation 1.32756% Mark Wilson 1.35438% 110 W. Louisiana, Ste. 460 Midland, Texas 79701 ATTN Roger T. Elliott

John F. Altringer 0.15931% 6701 Mallards Cove Rd. #3H Jupiter, Florida 33458-8917 Charles F. Harding 0.14338% 6211 W. Northwest Highway Suite C-252 Dallas, Texas 75225

Allen Noble 0.11151% P. O. Box 1582 Boise, Idaho 83701

Kastman Oil Company 0.39827% P. O. Box 5930 Lubbock Texas 79408 R. L. Baccus 0.06372% 13107 Copenhill Road Dallas, Texas 75240

J. Paul Wilson 0.06372% 314 Potter Road N.Kingston, Rhode Island 0285

Richard A. Fresch, Executor of Thomas C. Christian Estate of Clarence J. Fresch 0.06372% 324 Northview London, Ohio 43140

0.04779% 11412 Myrtle Street Kansas City, Missouri 64137 Raymond F. Tremel 0.04779% 12415 Askew Drive Grandview, Missouri 64030

Roger Bettin 0.03186% 300 Fairway Court Atlantis, Florida 33462

Stanley G. Budner 0.12745% 17 Gumwood Drive Wilmington, Delaware 19803 William C. Evans 0.03186% P. O. Box 413 Estes Park, Colorado 80517

HUMBLE CITY "ACL" #1 WORKING INTEREST OWNERS Township 17 South, Range 37 East Section 14: N/2NE/4 Lea County, New Mexico

Stan Hansen 0.12745% 39 Riverside Ave., Apt. 2-B Stamford, Connecticut 06905

Arnold Maroni 0.03186% 433 Countryview Drive Warwick, Rhode Island 02886

Minerva A. Williams Sweitzer 0.03186% 32051 S. Williams Drive Magnolia, Texas 77355

James B. Waite 0.03186% P. O. Box 1046 Litchfield, Connecticut 06759

Lyman Bucklin 0.01593% RD #2, Box 227 Bucksport, Maine 04416

Ruth Potish 0.01593% 1523 Wilemore Avenue Springfield, Illinois 62704 Sidney D. Jeffe 0.12745% 3673 Quail Hollow

A.R. Miller 0.03186% 502 Carlton Road New Port Richey, Florida 33552

Ronald U. Kolb 0.03186% 3900 Dundee Road #103 Northbrook, Illinois 60062

James A. Grice, Executor of the Estate of Letcher O. Grice 0.01593% 4173 S. 2200 West Salt Lake City, Utah 84119

William G. Bucklin 0.01593% Rural Route 1, Box 326 Jamestown, Rhode Island 02835

Guy G. Stephenson 0.01593% 866 Summer Shade Memphis, Tennessee 38116

Jimmie B. Kincaid 0.03186% P. O. Box 195 Bloomfield Hills, Michigan 48013 Parchatoula, Louisiana 70454

> John M. Thomas 0.03186% 5100 Moeckel Road Stockbridge, Michigan 49285

Gustave H. Rathe, Jr. 0.07965% P. O. Box 1173 Santa Fe, New Mexico 87504

John H. Beauchamp 0.06372 P. O. Box 12145 Fort Worth, Texas 76121

Eugene C. Fresch 0.06372% 1444 Via Coronel Palos Verdes Estates, CA 9027

Yates Petroleum Corporation 8.71077% Myco Industries, Inc. 1.74215% Abo Petroleum Corproation 2.09059% John A. Yates 0.87108% Los Chicos 0.52265% S.P. Yates 1.74215% Yates Drilling Company 1.30662% Peyton Yates 0.17422% Richard Yates 0.17422% Weed Oil & Gas 0.08711% 105 South Fourth Street Artesia, New Mexico 88210 ATTN Kathy H. Colbert