

August 23, 1991

Yates Petroleum Corporation  
105 S. 4th  
Artesia, NM 88210

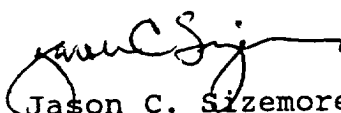
RE: Location Exception  
Nymeyer "A" No. 2  
1,650' FNL, 2,310' FWL  
Section 15 - T23S - R28E  
Eddy County, New Mexico

Dear Offset Operator:

Graham Royalty, Ltd. hereby notifies you that we have applied to the New Mexico Oil Conservation Division for a location exception for the subject well to test the Bone Springs. Should you need any additional information, please contact me at the number below. Thank you.

Sincerely,

GRAHAM ROYALTY, LTD.



Jason C. Sizemore  
Senior Petroleum Engineer

JCS:ca  
a:offsetop.na2

August 23, 1991

Bird Creek Resources  
1412 S. Boston, Suite 550  
Tulsa, OK 74119

Attn: Mr. Brad Burks

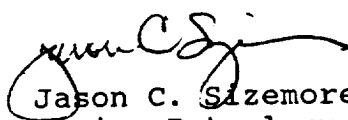
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R. C. Bennett  
Suite 595  
One Marienfeld Place  
Midland, TX 79702

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