

HEYCO**PETROLEUM PRODUCERS****HARVEY E. YATES COMPANY**

P.O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

RECEIVED

February 27, 2004

MAR 03 2004

**OIL CONSERVATION
DIVISION**

Bureau of Land Management
Roswell District Office
2909 West Second
Roswell, New Mexico 88201

Attention: Deputy Minerals Manager for Oil and Gas

Re: **Bennett Ranch Unit**
Unit Agreement #NMNM94469X
T-26S, R-12 & 13E, N.M.P.M.
Otero County, New Mexico
Plan of Development/Operation - 2004

Ladies & Gentlemen:

Harvey E. Yates Company (HEYCO), as Unit Operator, submits this 2004 Plan of Development and Operation (in triplicate) as prescribed by Section 10 of the Bennett Ranch Unit Agreement.

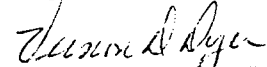
In this regard, we are enclosing a current unit map showing the existing wells and locations for five (5) potential wells based on the Initial Participating Area for the Canyon formation, as submitted to the Bureau of Land Management (BLM). The potential wells have not been submitted for drilling, nor have any been approved by the BLM. The initial Unit Well (Bennett Ranch Unit #1Y) was drilled and completed in 1997 and the second well was drilled and completed on December 18, 2001.

<u>Date</u>	<u>Well No.</u>	<u>Operation/Result</u>	<u>Unit Letter/Sec.</u>
11/97	#1Y	Drilled & Completed in Mississippian I.P. 2200 MCFGPD	B-14
12/01	25 #1	Drilled & Completed in Canyon Formation I.P. 3000 MCFGPD	G-25

Since the completion of the initial well in the Unit, the BLM has suspended all of the federal leases in this unit (and in all of the Orogrande Basin, as well) and is in the process of amending the existing RMP for the area to include the production of oil and gas. Both the initial well and the subsequent well are shut-in due to the lack of a pipeline facility in the area. Last year HEYCO commenced a study of the productive zones in the existing wells and, at this time, HEYCO is still in the process of researching and evaluating these zones.

Based on the information submitted herewith, HEYCO respectfully requests that the BLM approve this 2004 Plan of Development and Operation.

Respectfully submitted,

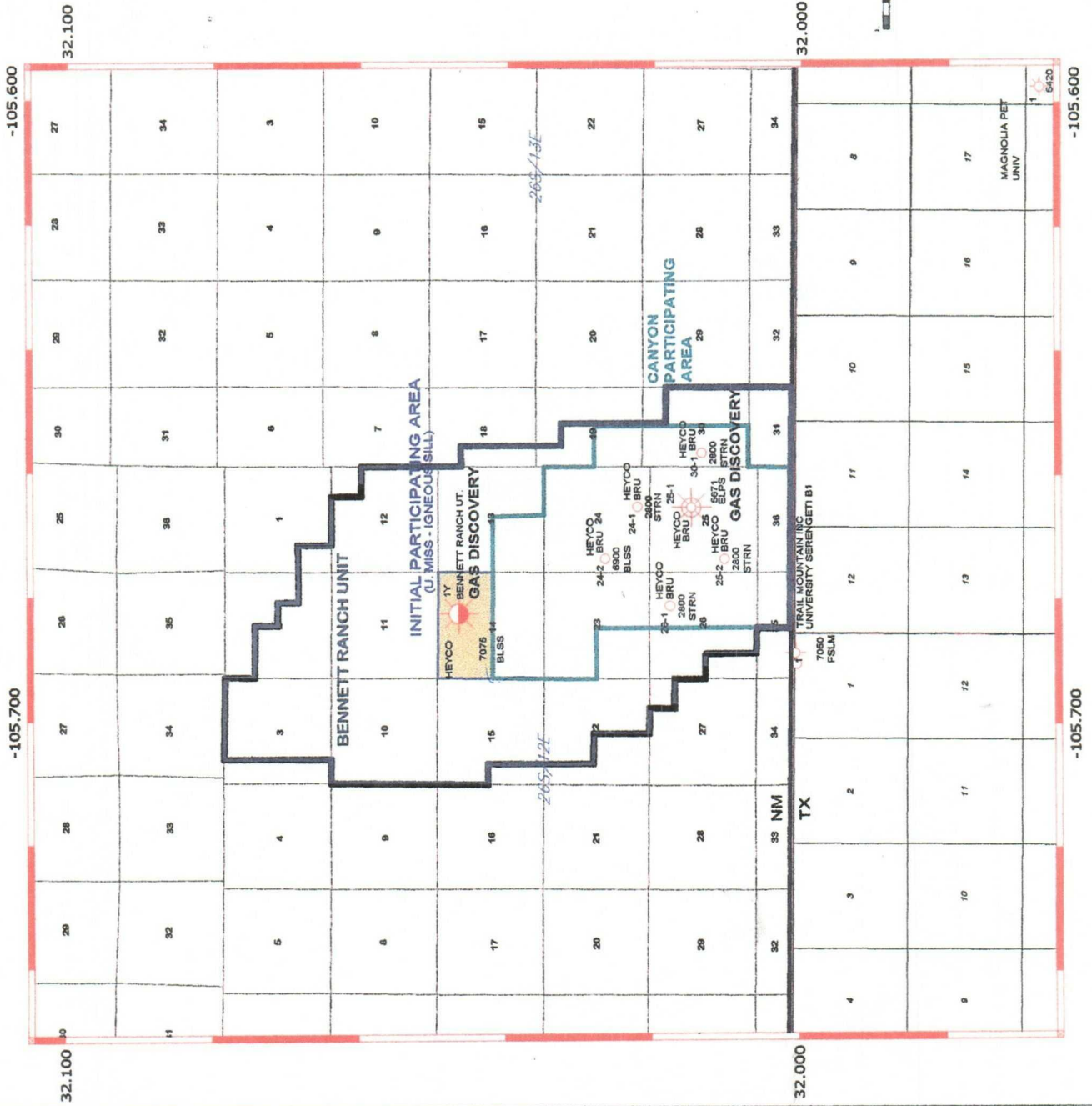

Vernon D. Dyer CPL #3174
Land Manager

VDD/dlm
Enclosures

Bennettpod2004.doc/Land:BennettRanch#3

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

Commissioner of Public Lands (w/encl.)
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn: Pete Martinez



Harvey E. Yates Company			
BENNETT RANCH UNIT			
CANYON FM. PARTICIPATING AREA			
2004 PLAN OF DEVELOPMENT			
Geological Survey	Scale 1:96000	2/7/2004	BRU/PLD/P



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

June 30, 2004

Harvey E. Yates Company
P.O. Box 1933
One Sunwest Centre
Roswell, New Mexico 88202-1933

Attn: Mr. Vernon D. Dyer

Re: 2004 Plan of Development
Bennett Ranch Unit
Otero County, New Mexico

Dear Mr. Dyer:

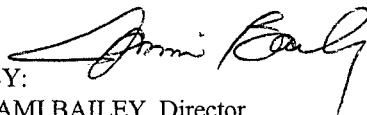
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

Pursuant to Article 11 of the Bennett Ranch Unit Agreement, you are requested to submit a commercial determination for the Bennett Ranch Unit Well No. 25-1. In addition, please submit your application for the Initial Canyon participating area to this office for approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/cpm
xc: Reader File

OCD

BLM