



HARVEY E. YATES COMPANY

A MEMBER COMPANY OF HEYCO ENERGY GROUP

February 24, 2006

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

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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 2006

Ladies & Gentlemen:

Harvey E. Yates Company (HEYCO), as Unit Operator, submits this 2006 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. 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.

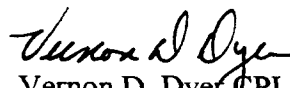
<u>Date</u>	<u>Well No.</u>	<u>Operation/Result</u>	<u>Unit Letter/Sec.</u>
11/97	#1Y	Drilled & Completed in Mississippian I.P. 2200 MCFGPD	B-14
12/01	25 #1	Drilled & Completed in Canyon Formation I.P. 3000 MCFGPD	G-25

Since the completion of the initial well in the Unit, the BLM has suspended all operations and leasing of federal leases in this unit (and in all of the Orogrande Basin, as well). Since the completion of the second well, the operations within the Unit have been suspended until the completion of the Record of Decision (ROD) for the RMP. Both wells are presently shut-in due to lack of pipeline. The ROD was issued on January 25, 2005, and the suspension of the leases was terminated with the ROD. The suspension of operations of the Unit was later terminated on October 1, 2005. HEYCO did acquire a federal lease in the Unit at the July 2005, BLM Oil & Gas Lease sale with the intent to continue our exploration program within the Unit.

HEYCO is now planning to commence an additional exploration well within the Unit as soon as the new lease is issued. This well is planned to be at a location to delineate the two existing producing zones in the Unit. Should this well confirm the extensions of the existing zones as planned, then it is possible that HEYCO, as Operator, will propose an addition well. This is also subject to the issuance of the newly acquired federal lease, availability of rigs and partners approval.

Based on the information submitted herewith, HEYCO respectfully requests the BLM approve this 2006 Plan of Development and Operation.

Respectfully submitted,


Vernon D. Dye, CPL #3174
Senior Landman

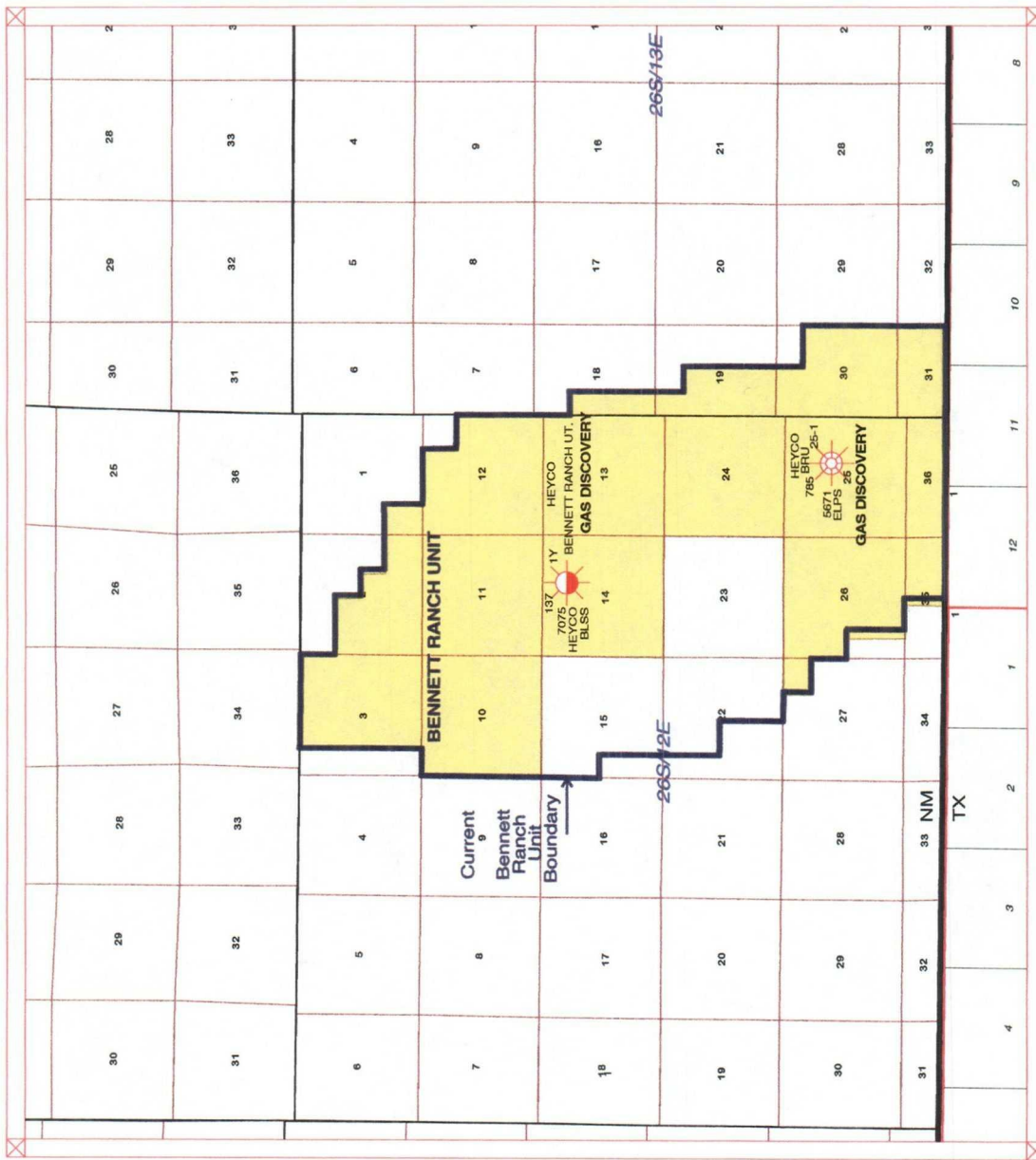
VDD/dlm
Enclosures

Bennettpod2006.doc/Land:BennettRanch#3

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

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

Bureau of Land Management (w/encl.)
Las Cruces District Office
800 Marquess
Las Cruces, New Mexico 88005
Attn: John Besse



Scale 1:96000.

0.2 0.4 0.6 0.8 1. miles

HEYCO	
BENNETT RANCH	
PLAN OF DEVELOPMENT	
JUL 2006	11/2/2006
Scale 1:96000.	brn.pod.pdf