

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF HARVEY E. YATES
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

Case No. 13,999

AFFIDAVIT OF VERNON D. DYER

COUNTY OF SANTA FE)
) ss.
STATE OF CHAVES)

Vernon D. Dyer, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am a landman for Harvey E. Yates Company.
3. I have examined materials from Ernst & Young and COPAS regarding overhead rates. The latest Ernst & Young pamphlet gave the following overhead rates in Lea County:

(a) The rates for a drilling well with depths between 10,001'-15,000' are:

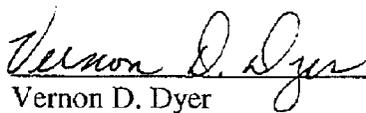
- (i) Minimum: \$600
- (ii) Average: \$5,430
- (iii) Median: \$6,641
- (iv) Maximum: \$7,839

Harvey E. Yates Company requests a rate of \$6,800.

(b) The rates for a producing well with depths of between 10,001'-15,000' are:

- (i) Minimum: \$500
- (ii) Average: \$725
- (iii) Median: \$664
- (iv) Maximum: \$1,071

Harvey E. Yates Company requests a rate of \$680.



Vernon D. Dyer

Oil Conservation Division
Case No. 9
Exhibit No.

SUBSCRIBED AND SWORN TO before me this 2 day of October, 2007 by Vernon D. Dyer

My Commission Expires: 2/7/08

Dianna R. Woodard
Notary Public