

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

April 24, 2000

Attn: Mark Wheeler
Nearburg Exploration Company, L.L.C.
3300 North A Street
Building 2, Suite 120
Midland, Texas 79705

Re: AFE & JOA Signature Pages
Rio Pecos "24" #1 Well
Eddy County, New Mexico

Gentlemen:

Please find enclosed the AFE and JOA signature pages to the captioned well which have been fully executed on behalf of Yates Petroleum Corporation and Sharbro Oil Ltd. Co.

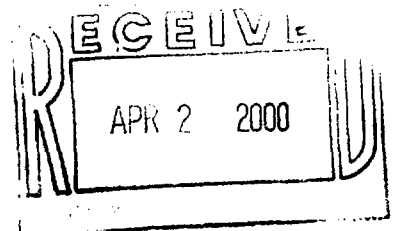
Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Barbara Nelson
Land Secretary

/bn
enclosure(s)



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12383 Exhibit No. 4
Submitted by:
Nearburg Exploration Company, L.L.C.
Hearing Date: May 4, 2000

Nearburg Producing CompanyExploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 24

WELL NUMBER: 1

PBSD: 9,700'

LOCATION: 1,980' FSL & 660' FEL, Section 24, T18S, R26E, Eddy County NM

FIELD: Wildcat Morrow

EXPLORATORY, DEVELOPMENT, WORKOVER: E

DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 1/28/00

EST. START DATE: 5/1/2000

EST. COMPLETION DATE: 6/15/2000

ACCOUNTING WELL NUMBER:

COMMUNICATIONS ACCOUNT NUMBER:

<u>INTANGIBLE COSTS:</u>	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

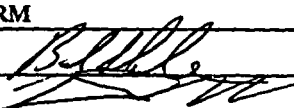

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 24 WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,980' FSL & 660' FEL, Section 24, T18S, R26E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 1/28/00 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	01/28/00
REVIEWED BY: TRM	
APPROVED BY: 	1/31/00
APPROVED BY: 	1/31/00

Yates Petroleum Corporation

3.958388%

Sharbro Oil Ltd. Co.

1.5624804%

By:  Date 4-17-2000
Attorney-in-Fact

By:  Date 4-18-2000
Manager

ATTEST OR WITNESS

POGO PRODUCING COMPANY

By: _____

Type or Print Name

Title _____

Date _____

Tax ID or SS No. _____

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me on this the _____ day of _____, 2000, by _____, as _____ of POGO Producing Company, a _____ company, on behalf of said company.

My Commission Expires: _____

Notary Public, State of Texas

RB

ATTEST OR WITNESS

YATES PETROLEUM CORPORATION

By: Peyton Yates

Peyton Yates
Type or Print Name

Title Attorney-in-Fact

Date 4-17-2000

Tax ID or SS No. _____

STATE OF NEW MEXICO §
 §
COUNTY OF EDDY §

The foregoing instrument was acknowledged before me on this the 17th day of April, 2000, by Peyton Yates, as Attorney-in-Fact of Yates Petroleum Corporation, a New Mexico corporation, on behalf of said corporation.

My Commission Expires: _____

Barbara Nelson
Notary Public, State of New Mexico

1-8-2004

ATTEST OR WITNESS

CIRRUS EXPLORATION COMPANY

By: _____

Type or Print Name

Title _____

Date _____

Tax ID or SS No. _____

EXHIBIT "F"
NOTICE OF JOINT OPERATING AGREEMENT LIEN,
SECURITY INTERESTS AND FINANCING STATEMENT
PAGE -4-

4212 Interstate 40 W
Amarillo, Texas 79106

CIRRUS EXPLORATION COMPANY

By: _____

Type or Print Name

Title

Date

Tax ID or SS No.

STATE OF TEXAS §
 §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me on this the ____ day
of _____, 2000, by _____, as _____ for
Cirrus Exploration Company, a _____ company, on behalf of said
company.

My Commission Expires:

Notary Public, State of Texas

105 S. Fourth St.
Artesia, New Mexico 88210

SHARBRO OIL LTD.

By: Frank Yates, Jr.

Type or Print Name

Title Manager

Date 4-18-2000

Tax ID or SS No.

STATE OF NEW MEXICO §
 §
COUNTY OF EDDY §

The foregoing instrument was acknowledged before me on this the 18th day
of April, 2000, by Frank Yates, Jr., as Manager of Sharbro Oil Ltd. Co.,
a New Mexico limited liability company, on behalf of said company.

My Commission Expires:
1-8-2004

Barbara Nelson
Notary Public, State of New Mexico

2213 Scott Road
Burbank, CA 91504

WINNIE CLAYTON TRUESDELL

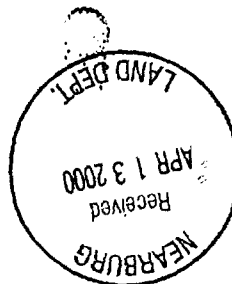
By: _____

Winnie Clayton Truesdell

Date

Tax ID or SS No.

**Exploration and Production
Dallas, Texas**

**AUTHORITY FOR EXPENDITURE**


DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

EST. COMPLETION DATE: 6/15/2000


COMMUNICATIONS ACCOUNT NUMBER:

<u>TANGIBLE COSTS:</u>			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
ESTIMATED TOTAL WELL COSTS			470,406	331,868	802,274

THIS AFE IS ONLY AN ESTIMATE. BY SIGNING YOU AGREE TO PAY YOUR SHARE OF THE ACTUAL COSTS INCURRED.

NPC APPROVAL	DATE
PREPARED BY: HRW	02/10/00
REVIEWED BY: TRM	
APPROVED BY: 	2/10/00
APPROVED BY:	

WI APPROVAL: COMPANY Gwendolyn Knox 0.3645834%

BY 

TITLE

DATE 4-10-00

Nearburg Producing CompanyExploration and Production
Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 24 WELL NUMBER: 1 PBTD: 9,700'
LOCATION: 1,650' FSL & 660' FEL, Section 24, T18S, R26E, Eddy County NM
FIELD: Wildcat Morrow EXPLORATORY, DEVELOPMENT, WORKOVER: E
DESCRIPTION OF WORK: Drill and complete as a flowing Morrow gas producer.

DATE PREPARED: 1/28/00 EST. START DATE: 5/1/2000 EST. COMPLETION DATE: 6/15/2000
ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

<u>INTANGIBLE COSTS:</u>	TO CSG PT	COMPLETION	TOTAL WELL
Drilling Footage 9,700 Ft @ 17.00 \$/Ft	174,794	0	174,794
Drilling Daywork 2 2 5,800 \$/day	12,296	12,296	24,592
Drilling Turnkey	0	0	0
Rig Mobilization and Demobilization	0	0	0
Road & Location Expense	18,815	2,120	20,935
Damages	5,000	0	5,000
Directional Drilling - Tools and Service	0	0	0
Drilling Fluids	26,500	0	26,500
Fuel, Power, and Water	12,720	0	12,720
Supplies - Bits	0	795	795
Supplies - Casing Equipment	1,060	4,240	5,300
Supplies - Liner Equipment	0	0	0
Supplies - Miscellaneous	0	0	0
Cement and Cmt. Services - Surface Csg	10,600	0	10,600
Cement and Cmt. Services - Int. Csg	0	0	0
Cement and Cmt. Services - Prod. Csg	0	21,200	21,200
Cement and Cmt. Services - Other	0	0	0
Rental - Drilling Tools and Equipment	0	0	0
Rental - Misc.	19,716	3,180	22,896
Testing - Drill Stem / Production	4,770	2,650	7,420
Open Hole Logging	31,800	0	31,800
Mudlogging Services	11,925	0	11,925
Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
Stimulation	0	12,720	12,720
Pump / Vacuum Truck Services	0	6,075	6,075
Transportation	1,590	2,650	4,240
Tubular Goods - Inspection & Testing	1,961	5,300	7,261
Unclassified	530	0	530
Telephone and Radio Expense	954	318	1,272
Engineer / Geologist / Landman	22,500	3,000	25,500
Company Labor - Field Supervision	13,250	6,500	19,750
Contract Labor / Roustabout	1,590	9,540	11,130
Legal and Professional Service	5,000	0	5,000
Insurance	4,998	0	4,998
Overhead	7,000	3,500	10,500
SUBTOTAL	401,369	123,728	525,097
Contingencies (10%)	40,137	12,373	52,510
ESTIMATED TOTAL INTANGIBLES	441,506	136,101	577,607

REVISED FEBRUARY 10, 2000 - LOCATION CHANGE
REVISED FEBRUARY 21, 2000 - KNOX/HELM/KNOX INTEREST CHANGE.
REVISED MARCH 22, 2000 - REFLECT CORRECT INTEREST.

Nearburg Producing Company

Exploration and Production
Dallas, Texas

Page 2 of 2

AUTHORITY FOR EXPENDITURE

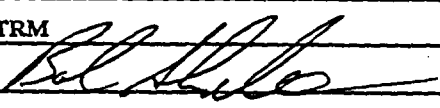
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LOCATION: 1,650' FSL & 660' FEL, Section 24, T18S, R26E, Eddy County NM
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ACCOUNTING WELL NUMBER:
COMMUNICATIONS ACCOUNT NUMBER:

TANGIBLE COSTS:			TO CSG PT	COMPLETION	TOTAL WELL
Conductor Casing	0 Ft @	0.00 \$/Ft	0	0	0
Surface Csg	1,100 Ft @	24.00 \$/Ft	26,400	0	26,400
Intermediate Csg	0 Ft @	0.00 \$/Ft	0	0	0
Protection Csg	0 Ft @	0.00 \$/Ft	0	0	0
Production Csg	9,700 Ft @	10.00 \$/Ft	0	97,000	97,000
Protection Liner	0 Ft @	0.00 \$/Ft	0	0	0
Production Liner	0 Ft @	0.00 \$/Ft	0	0	0
Tubing	9,500 Ft @	3.25 \$/Ft	0	30,875	30,875
Rods	0 Ft @	0.00 \$/Ft	0	0	0
Artificial Lift Equipment			0	0	0
Tank Battery			0	10,600	10,600
Separators/Heater Treater/Gas Units/FWKO			0	12,720	12,720
* Well Head Equipment & Christmas Tree			2,500	11,500	14,000
Subsurface Well Equipment			0	6,148	6,148
Flow Lines			0	13,250	13,250
Saltwater Disposal Pump			0	0	0
Gas Meter			0	1,484	1,484
Lact Unit			0	0	0
Vapor Recovery Unit			0	0	0
Other Well Equipment			0	0	0
ROW and Damages			0	2,650	2,650
Surface Equipment Installation Costs			0	9,540	9,540
Elect. Installation			0	0	0
ESTIMATED TOTAL TANGIBLES			28,900	195,767	224,667
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NPC APPROVAL	DATE
PREPARED BY: HRW	02/10/00
REVIEWED BY: TRM	
APPROVED BY: 	2/10/00
APPROVED BY:	

VI APPROVAL:

COMPANY

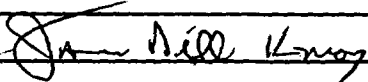
Jack Dill Knox

1.1708333%

BY

TITLE

DATE


3-27-00

Nearburg Producing Company

Exploration and Production

Dallas, Texas

Page 1 of 2

AUTHORITY FOR EXPENDITURE

LEASE: Rio Pecos 24

WELL NUMBER: 1

PBD: 9,700'

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Special Services	0	0	0
Plug and Abandon	12,000	(12,000)	0
Pulling and/or Swabbing Unit	0	15,264	15,264
Reverse Equipment	0	5,300	5,300
Wireline Services	0	19,080	19,080
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Exploration and Production
Dallas, Texas