

**Chronological of
Correspondence & Communications
Section 20-20S-28E**

September 3, 1996	#1	Receive Farmout Request from InterCoast on Section 20-20S-28E - no specifics as to what part of Sec. 20 or spacing unit.
September 17, 1996		Phone conversation between Rock Quinn (InterCoast) and Janet Richardson (YPC) - Yates does not want to farmout - Quinn says he will send OA & AFE.
September 30, 1996	#2	Receive Force Pooling Notice - InterCoast is pooling N/2 of Sec. 20 - they own 47.5%. Hearing set for 10-17-96.
October 9, 1996	#3	Receive proposal letter from InterCoast with AFE and OA attached. Only proposed to YPC and Hayes Properties with no working interest percentages shown. (This was after phone call to Bill Carr, attorney for InterCoast at that time, telling him that we had not received a proposal.) Hearing is postponed to November 7, 1996 to allow Yates time to review proposal
October 24, 1996		Phone conversation with Quinn - told him that we preferred a different location in the N/2
October 28, 1996		Quinn sets up meeting with Yates for Wednesday, October 30, 1996. I told him that I didn't think they owned 47.5%.
October 29, 1996		Quinn calls and cancels meeting - might be several weeks before they can come
October 29, 1996	#4	Yates proposes Stonewall DD St. Com. #3 to owners in Stonewall Unit
October 31, 1996	#5	Yates proposes Stonewall DD St. Com. #3 to InterCoast
November 7, 1996		Meeting with InterCoast in Artesia: 1. They insist they own 47.5% - ask who is Diamond Head Properties. 2. Neither geologist wants to give on their location for a N/2 well. 3. They propose going W/2 and E/2 and drilling both wells. 4. We agreed to try and get management approval for this proposal.
November 13, 1996		Phone conversation with Quinn - Management has approved going E/2 and W/2 and drilling both wells but ask that the largest working interest owner in E/2 operate. InterCoast does not agree and say they want to operate. I told him that I didn't know if that was problem or not - would run it by management.
November 14, 1996	#6	We propose Stonewall DD St. #3 on a W/2 basis
November 18, 1996	#7	Received proposals from InterCoast on E/2 and N/2 (Both letters dated 11-11-96)
November 19, 1996		Phone conversation with Quinn - I have been unable to discuss with Management. He states that they are continuing their N/2 pooling to see what happens the next two weeks.
November 22, 1996	#8	Letter to InterCoast stating why we should operate the E/2
November 22, 1996	#9	Yates proposes Stonewall AQK St. Com. #1 (InterCoast received on 11-25-96)
December 2, 1996	#10	Letter from Diamond Head Properties requesting that we send OA for their review for an E/2 well
December 4, 1996	#11	Letter to Diamond Head with revised pages to update OA previously sent
December 6, 1996	#12	Letter from Diamond Head questioning date in OA
December 12, 1996	#13	Letter to Diamond Head explaining date in OA with revised page
December 13, 1996	#14	Letter from InterCoast
December 13, 1996	#15	Response letter to InterCoast