

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

December 27, 2000

Working Interest Owners
Addressee List Attached

Via Certified Mail

Re: **AFE**
Daisy AFS St #2
Township 16 South, Range 35 East
Section 3: 660' FNL & 660' FEL
Lea County, New Mexico

Ladies and Gentlemen:

Please find enclosed our AFE proposing the drilling of the captioned well to test the Morrow/Mississippian formation at approximately 13,100'.

The proposed proration unit located in irregular Section 3 is Lots 1 through 8 which forms a non-standard 355.80 acre spacing unit.

We will forward our Joint Operating Agreement for your review as soon as you have indicated your desire to participate in this proposed test.

Please call me at (505) 748-4351 if you have any questions regarding this proposal.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Robert Bullock
Landman

RB:bn

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 12535/12567/12569 Cons. Exhibit 3

Submitted by:
Yates Petroleum Corp./Ocean Energy Resources, Inc.
Hearing Date: January 11, 2001

DAISY AFS ST #2
ADDRESSEE LIST

Tom R. Cone
PO Box 778
Jay, OK 74346

Kenneth G. Cone
PO Box 11310
Midland, TX 79702

Kenneth G. Cone, Trustee
Kenneth G. Cone Children's Trust
PO Box 11310
Midland TX 79702

Marilyn Cone, Trustee
of the D.C. Trust
PO Drawer 1629
Lovington, NM 88260

Clifford Cone
PO Drawer 1629
Lovington, NM 88260

Clifford Cone, Trustee of the
Clifford Cone Family Trust U/W/O
Kathleen Cone
PO Drawer 1629
Lovington, NM 88260

Keith Pratt Daniels
PO Box 190766
Dallas, TX 75219

Lynda Pratt Rast
1202 Marlee Lane
Arlington, TX 76014

Phillip L. White
The Blanco Company
PO Box 2168
Santa FE, NM 87504-2168

The Long Trusts
PO Box 3096
Kilgore, TX 75663

LWJ Partnership
PO Box 64244
Lubbock, TX 79424

Ocean Energy Resources, Inc.
1001 Fannin, Suite 1600
Houston, TX 77002-6794

David H. Arrington Oil & Gas, Inc.
214 West Texas, Suite 400
Midland, TX 79701

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
Myco Industries, Inc.
105 South Fourth Street
Artesia, NM 88210

1. The first part of the document is a list of the names of the persons who have been named in the proceedings.

2. The second part of the document is a list of the names of the persons who have been named in the proceedings.

3. The third part of the document is a list of the names of the persons who have been named in the proceedings.

4. The fourth part of the document is a list of the names of the persons who have been named in the proceedings.

5. The fifth part of the document is a list of the names of the persons who have been named in the proceedings.

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Total Postage & Fees	\$

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Sent To	Phillip L. White
	The Blanco Company
Street, Apt. No., P.O. Box No.	PO Box 2168
City, State, ZIP+4	Santa FE, NM 87504-2168

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Restricted Delivery Fee (Endorsement Required)	
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Sent To	David H. Arrington Oil & Gas, Inc.
	214 West Texas, Suite 400
Street, Apt. No., P.O. Box No.	PO Box No
City, State, ZIP+4	Midland, TX 79701

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

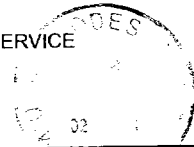
Postmark
Here

Sent To	LWJ Partnership
	PO Box 64244
Street, Apt. No., P.O. Box No.	PO Box No
City, State, ZIP+4	Lubbock, TX 79424

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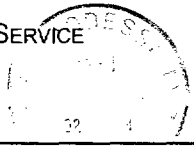
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ARTESIA, NEW MEXICO 88210

88210=2124



7000 1670 0007 6696 2894

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
7000 1670 0007 6696 2894		
Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To Kenneth G. Cone		
PO Box 11310		
Street, Apt. No., or PO Box No. Midland, TX 79702		
City, State, ZIP+4		
PS Form 3800, May 2000 See Reverse for Instructions		

7000 1670 0007 6696 2887

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
7000 1670 0007 6696 2887		
Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To Kenneth G. Cone, Trustee		
Kenneth G. Cone Children's Trust		
PO Box 11310		
Street, Apt. No., or PO Box No. Midland TX 79702		
City, State, ZIP+4		
PS Form 3800, May 2000 See Reverse for Instructions		

7000 1670 0007 6696 2962

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)		
7000 1670 0007 6696 2962		
Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To The Long Trusts		
PO Box 3096		
Street, Apt. No., or PO Box No. Kilgore, TX 75663		
City, State, ZIP+4		
PS Form 3800, May 2000 See Reverse for Instructions		

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Clifford Cone
PO Drawer 1629
Lovington, NM 88260

2. Article Number (Copy from service label)

7000 1670 0007 6696 2900

Quincy AFS AT #2

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-1

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *Clifford Cone*
☐ Agent
☐ Addressee
D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marilyn Cone, Trustee
of the D.C. Trust
PO Drawer 1629
Lovington, NM 88260

2. Article Number (Copy from service label)

7000 1670 0007 6696 2948

Quincy AFS AT #2

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *Marilyn Cone*
☐ Agent
☐ Addressee
D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Clifford Cone, Trustee of the
Clifford Cone Family Trust U/W/O
Kathleen Cone
PO Drawer 1629
Lovington, NM 88260

2. Article Number (Copy from service label)

7000 1670 0007 6696 2870

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *Clifford Cone*
☐ Agent
☐ Addressee
D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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ROB BULLOCK

**YATES PETROLEUM CORP.
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210**

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CERTIFIED MAIL RECEIPT
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7000 1670 0007 6696 2900

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To **Clifford Cone**
Street, Apt. No., or P.O. Box No. **PO Drawer 1629**
City, State, ZIP+4 **Lovington, NM 88260**

PS Form 3800, May 2000

See Reverse for Instructions

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CERTIFIED MAIL RECEIPT
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7000 1670 0007 6696 2948

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To **Marilyn Cone, Trustee**
Street, Apt. No., or P.O. Box No. **PO Drawer 1629**
City, State, ZIP+4 **Lovington, NM 88260**

PS Form 3800, May 2000

See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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7000 1670 0007 6696 2870

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To **Clifford Cone, Trustee of the**
Clifford Cone Family Trust U/W/O
Street, Apt. No., or P.O. Box No. **Kathleen Cone**
PO Drawer 1629
City, State, ZIP+4 **Lovington, NM 88260**

PS Form 3800, May 2000

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Tom R. Cone
PO Box 778
Jay, OK 74346

2. Article Number (Copy from service label)

7000 1670 0007 6696 2931

PS Form 3811, July 1999

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

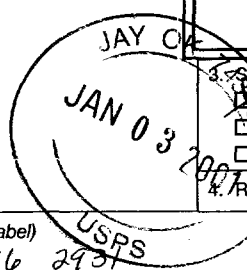
Tom Cone

C. Signature

X Tom Cone

☐ Agent
☐ AddresseeD. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.4. Restricted Delivery? (Extra Fee) ☐ Yes

Waiting AFS #2

Domestic Return Receipt

102595-00-M-0952

UNITED STATES POSTAL SERVICE



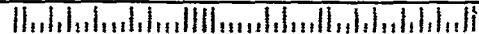
First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

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YATES PETROLEUM CORP.
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

88210+2122



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CERTIFIED MAIL RECEIPT
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7000 1670 0007 6696 2931

0101 1551

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To	Tom R. Cone
Street, Apt. No., or P.O. Box No.	PO Box 778
City, State, ZIP+4	Jay, OK 74346

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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7000 1670 0007 6696 2863

OFFICIAL USE

Postage	\$	DAISY AFS ST #2 ADDRESSEE LIST Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **Ocean Energy Resources, Inc.**
1001 Fannin, Suite 1600
 Street, Apt. No. or PO Box No. **Houston, TX 77002-6794**
 City, State, ZIP+4

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7000 1670 0007 6696 2955

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **Keith Pratt Daniels**
PO Box 190766
 Street, Apt. No. or PO Box No. **Dallas, TX 75219**
 City, State, ZIP+4

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U.S. Postal Service
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7000 1670 0007 6696 2917

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To **Lynda Pratt Rast**
1202 Marlee Lane
 Street, Apt. No. or PO Box No. **Arlington, TX 76014**
 City, State, ZIP+4

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