

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OPERATING AGREEMENT
DATED JULY 28, 1989,
BETWEEN HARVEY E. YATES COMPANY, AS OPERATOR
AND OTHER PARTIES SIGNATORY THERETO, AS NON-OPERATORS

1. LANDS SUBJECT TO CONTRACT:

Township 18 South, Range 33 East, N.M.P.M.
Section 32: N/2
Lea County, New Mexico
containing 320.00 acres, more or less

2. RESTRICTIONS AS TO DEPTHS, FORMATIONS AND SUBSTANCES:

This joint operating agreement covers from the surface to 13,750'.

3. PERCENTAGE INTERESTS OF THE PARTIES TO THIS AGREEMENT:

<u>Working Interest Owners</u>	<u>Working Interest</u>
HEYCO Development Corporation	.78382016
Spiral, Inc.	.03917519
Explorers Petroleum Corporation	.03417519
James H. Yates, Inc.	.03917519
Colkelan Corporation	.03917519
HEYCO Employees, Ltd.	.03917519
Laurelind Corporation	.00500000
F. J. Morgan	.00031645
Robert K. Kerlan	.00411385
Sybil Blackman Carney	.00237338
Consolidated Oil & Gas	.01191796
Edgar J. Braun	.00126580
Dr. Robert B. Cahan	.00031645
	<u>1.00000000</u>

4. OIL & GAS LEASE SUBJECT TO THIS AGREEMENT:

Oil and Gas Lease bearing Serial No. K-1860, dated October 17, 1961, between the State of New Mexico, as Lessor, and Atlantic Richfield Company, as Lessee, insofar as it covers the following lands:

T-18S, R-33E, N.M.P.M.
Section 32: N/2
Lea County, New Mexico
containing 320.00 acres, more or less.

5. ADDRESSES OF PARTIES FOR NOTICE PURPOSES:

SPIRAL, INC. EXPLORERS PETROLEUM CORP. HEYCO EMPLOYEES, LTD. HEYCO DEVELOPMENT CORP. P. O. Box 1933 Roswell, New Mexico 88202	SYBIL BLACKMAN CARNEY 21 Trovita Irvine, CA. 92720-1952
JAMES H. YATES, INC. COLKELAN CORPORATION 906 S. St. Francis Drive, Suite C Santa Fe, New Mexico 87501	CONSOLIDATED OIL & GAS 1860 Lincoln Street Denver, Colorado 80295
F. J. MORGAN 174 S. Mansfield Avenue Los Angeles, California 90036	EDGAR J. BRAUN 907 Keeler Avenue Berkeley, California 94708
ROBERT K. KERLAN c/o Ryder Stilwell Inc. 5900 Wilshire Blvd. #1100 Los Angeles, California 90036	DR. ROBERT B. CAHAN 2340 Sutter Street San Francisco, Calif. 94115
	LAURELIND CORPORATION P. O. Box 2143 Roswell, New Mexico 88201

exatlntc/EL

BEFORE EXAMINER MORROW
OIL CONSERVATION DIVISION
<u>HEYCO</u> EXHIBIT NO. <u>2</u>
CASE NO. <u>10315</u>

(A)