

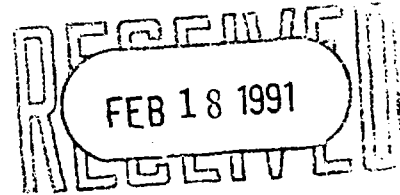
TORCH OIL & GAS COMPANY

1221 LAMAR, SUITE 1600
HOUSTON, TEXAS 77010

TEL. 713 • 650-1246
FAX 713 • 655-1866

February 13, 1991

YATES PETROLEUM CORPORATION
105 South Fourth Street
Artesia, New Mexico



Attention: Ms. Kathy Porter

Re: Letter Agreement
Concerning Unorthodox Location
Dagger Draw Prospect
Eddy County, Texas

Dear Ms. Porter:

TORCH OIL & GAS COMPANY and/or TORCH OPERATING COMPANY ("TORCH") hereby agree to waive opposition to the YATES PETROLEUM CORPORATION ("YATES") Amended Application for the proposed Judith "AIJ" Federal No. 1 (Morrow) well at an Unorthodox Location 560' FSL and 560' FEL of Section 9-T20S-R24E. TORCH's agreement to waive opposition is predicated on YATES granting a similar waiver of opposition to TORCH for a one-time like request on any well located adjacent to, or cornering Section 9-T20S-R24E. If this arrangement is acceptable to you, please signify your concurrence in the space provided below. If you have any questions, please advise.

Very truly yours,

Scott Guy
SCOTT GUY, CPL
Landman

AGREED AND ACCEPTED, this ____ day of February 1991.

By: _____

CC: Gregg Bonagurio
Jim Abney

YATES PETROLEUM CORP.
BEFORE EXAMINER CATANACH
N.M. O.C.D. CASE NO. 10241
DATE: 02/21/91
EXHIBIT NO. 6