

State of New Mexico
Commissioner of Public Lands

#7567

April 6, 1990

OCL

W. R. Humphries
COMMISSIONER

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202-1933

ATTN: Mr. Larry Brooks

RE: ~~Richardson Unit~~
Lea County, New Mexico
Automatic Elimination

Gentlemen:

According to Section 9 of the Unit Agreement, "Notwithstanding any of the provisions of this Agreement to the contrary, all undeveloped regular well spacing or proration unit tracts within the unit boundaries embracing lands of the State of New Mexico shall be automatically eliminated from this Agreement and shall no longer be a part of the unit or be further subject to the terms of this Agreement unless at the expiration of five years (5) after the first day of the month following the effective date of this Agreement diligent drilling operations are in progress on said tracts".

Our record show that the only development within the Richardson Unit is the Richardson Unit No. 1 well. This well is located in SW/4 SW/4 Section 32 of T13S, R36E in Lea County, New Mexico. The proration unit for this well is the S/2 of Section 32, T13S, R36E which includes lands held by State Lease LG-6476. Thus, the Richardson Unit has contracted under provisions of the automatic elimination clause to include the S/2 of Section 32, T13S, R36E.

All State lands have been eliminated from the Unit except for those held in the above described proration unit. This contraction is effective July 1, 1987. Please advise all interested parties.

We received copies of the revised Exhibits A and B to the Unit Agreement which reflect this contraction with your 1990 Plan of Development. If we may be of further help, please do not hesitate to contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

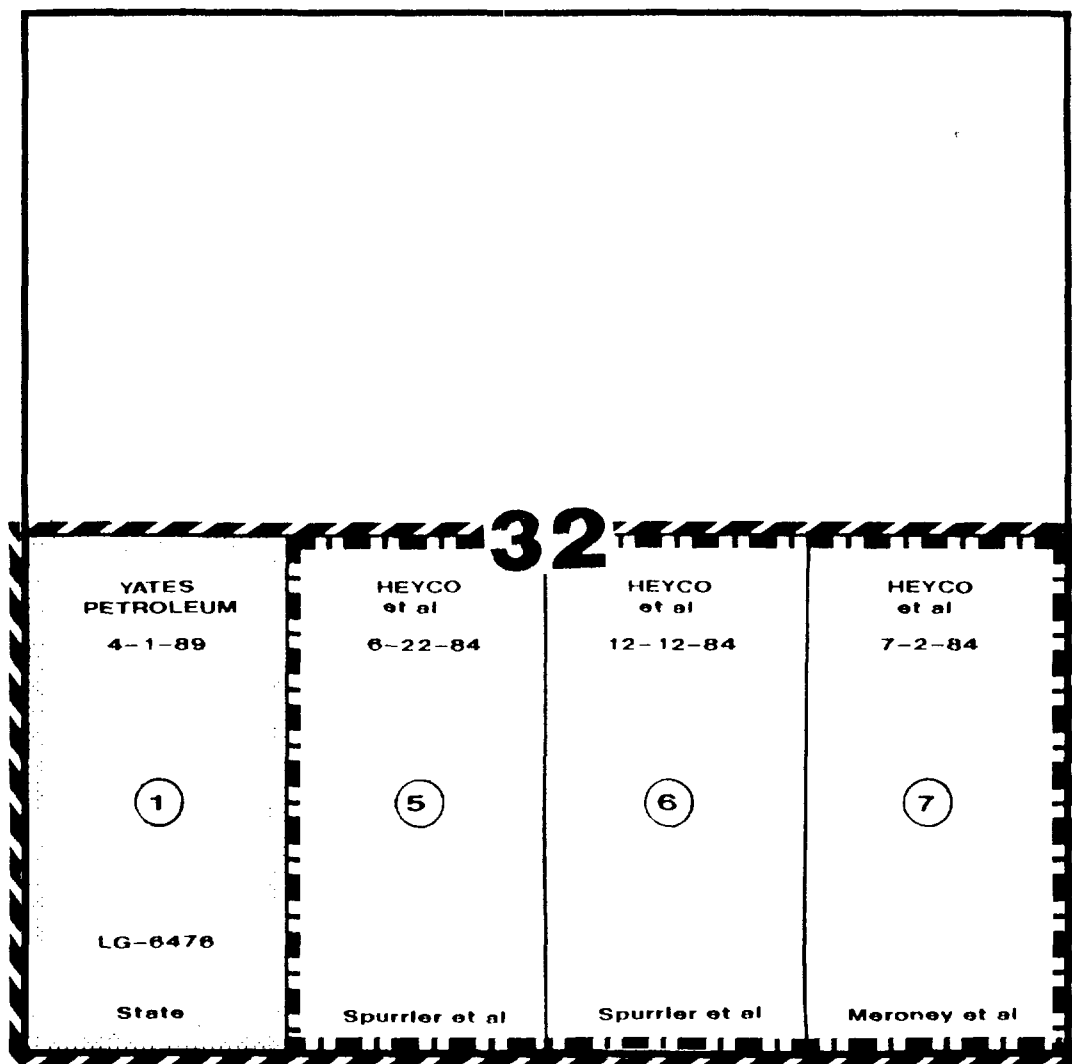
BY: Floyd O. Prando
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

cc: OCD - Santa Fe
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

R - 36 - E

T
13
S



1/2 MILE



STATE ACREAGE - 80.0 acres, 25% of unit area.



FEE ACREAGE - 240.0 acres, 75% of unit area.



UNIT OUTLINE



TRACT NUMBER

EXHIBIT "A"

HEYCO
RICHARDSON UNIT
LEA COUNTY, NEW MEXICO

Unit Name Richardson Unit - EXPLORATORY
Operator Harvey E. Yates Company
County Lea

STRICT

DATE	OCC CASE NO.	7567	EFFECTIVE	TOTAL	STATE	FEDERAL	SEGREGATION	TERM
APPROVED	OCC ORDER NO.	R-6981	DATE	ACREAGE			CLAU	
COMMISSIONER:	6/7/82	COMMISSION:	May 27, 1982	6/7/82	1,283.35 320.00	402.33 80.00	-0-	881.02 240.00
							yes	2 year

UNIT AREA

TOWNSHIP 13 SOUTH, RANGE 36 EAST N. M. P. M.

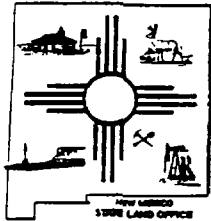
Section 31: S/2 (Lots 3, 4, E/2SW/4, SE/4) Eliminated Effective 7/1/87 - Automatic Elimination
Section 32: S/2

TOWNSHIP 14 SOUTH, RANGE 36 EAST, N. M. P. M.

Section 6: ALL (Lots 1, 2, 3, 4, 5, 6, 7, SE/4NW/4, E/2SW/4, S/2NE/4, SE/4) Eliminated Effective 7/1/87 - Automatic Elimination

Unit Name RICHARDSON UNIT-EXPLORATORY
Operator HARVEY E. YATES COMPANY
County LEA

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
1	LG-6476	C.S.	32	13S	36E	W/2SW/4	11/15/81	80.00		Yates Petroleum Corporation
2	V-223	C.S.	6	14S	36E	lots 3, 4, 5, 6, 7,	12/8/81	322.33	Eliminated	Harvey E. Yates Company
						SE/4NW/4, E/2SW/4				



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Commissioner of Public Lands

W. R. Humphries
COMMISSIONER

April 6, 1990

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Robert Portillos

Nancy Lynch Vigil

Rex Wilson

Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88202-1933

ATTN: Mr. Larry Brooks

RE: ~~Richardson Unit~~
Lea County, New Mexico
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Richardson Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

cc: OCD - Santa Fe
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

MAR 28 AM 9 12

March 27, 1990

3-29-90
D-UNIT LETTER
Thx
Ry

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: William LeMay, Director

Re: ~~Richardson Unit~~
S/2 Section 32,
T-13S, R36E, N.M.P.M.
Lea County, New Mexico
1990 Plan of Development &
Operation

Gentlemen:

Because of the continuing depressed gas market and the high cost of exploring for gas in tight formations, Harvey E. Yates Company (HEYCO) has no plans at this time to drill any deep gas wells in this State-approved unit during 1990.

As you are aware, we are planning a three-stage operation in the nearby Duncan Unit in 1990 and 1991. If these operations prove encouraging, we will take another look at possible development in the Richardson Unit.

Enclosed for your information are the following:

1. Production statistics on the Richardson Unit #1, including cumulative figures for oil, gas and water.
2. Revised Exhibit "A-1" to the Unit Agreement.
3. Revised plat showing present unit outline.

HEYCO would appreciate receiving approval of this plan from the Oil Conservation Division. We are also writing the office of the Commissioner of Public Lands and asking for their approval.

Very truly yours,

Rosemary T. Avery
Senior Landman

RTA/dlm
Enclosures
richpd90.oed/LL

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS

RICHARDSON UNIT
LEA COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
STATE OF NEW MEXICO LANDS:							
Township 13 South, Range 36 East, N.M.P.M.							
1	Sec. 32: W/2 SW/4	80.0	LG-6476 4-1-89	State of New Mexico 12.5%	Yates Petroleum Corporation 100%	W. T. Wynn Corbett Petroleum, Inc. .375% R. C. Smith .125%	Harvey E. Yates Company 38.750000% Spiral, Inc. 3.750000% Yates Energy Corp. 3.750000% Explorers Petroleum Corporation 3.750000% Yates Petroleum Corporation 12.500000% MYCO Industries 12.500000% ABO Petroleum Co. 12.500000% Yates Drilling Co 12.500000%

TOTAL STATE OF NEW MEXICO LANDS: 80.0 net acres - 25.00% of Unit Area

EXHIBIT "A-1"

RICHARDSON UNIT
LEA COUNTY, NEW MEXICO

Page 2

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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PATENTED (FEE) LANDS:Township 13 South, Range 36 East, N.M.P.M.

5	Sec. 32: E/2 SW/4 (10.0 Net)	80.0	12-13-84	Alfred Leeman & Ruth Leeman 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75%	Harvey E. Yates Company 77.500000%
						R. C. Smith .25%	Yates Energy Corp. Explorers Petroleum Corporation 7.500000%
5	Sec. 32: E/2 SW/4 (60.0 Net)	80.0	1-9-85	Effie C. Wilson 1/2 of 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75%	Harvey E. Yates Company 77.500000%
				Ann Meroney Robinson 1/2 of 18.75%		R. C. Smith .25%	Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 7.500000%
5	Sec. 32: E/2 SW/4 (5.0 Net)	80.0	1-9-85	Thelma Gorney 5/8 of 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75%	Harvey E. Yates Company 77.500000%
				Barbara Young 1/8 of 18.75%		R. C. Smith .25%	Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 7.500000%
				Gary N. Joiner 1/8 of 18.75%			
				J. N. Joiner 1/8 of 18.75%			
5	Sec. 32: E/2 SW/4 (5.0 Net)	80.0	6-22-84	Louella Spurrier 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75%	Harvey E. Yates Company 77.500000%
						R. C. Smith .25%	Yates Energy Corp. Explorers Petroleum Corporation 7.500000%

EXHIBIT "A-1"

RICHARDSON UNIT
LEA COUNTY, NEW MEXICO

Page 3

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
6	Sec. 32: W/2 SE/4 (10.0 Net)	80.0	12-13-84	Alfred Leeman & Ruth Leeman 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Company 77.500000% Spiral, Inc. 7.500000% Yates Energy Corp. 7.500000% Explorers Petroleum Corporation 7.500000%
6	Sec. 32: W/2 SE/4 (60.0 Net)	80.0	1-9-85	Effie C. Wilson 1/2 of 18.75% Ann Meroney Robinson 1/2 of 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Company 77.500000% Spiral, Inc. 7.500000% Yates Energy Corp. 7.500000% Explorers Petroleum Corporation 7.500000%
6	Sec. 32: W/2 SE/4 (5.0 Net)	80.0	1-9-85	Thelma Gorney 5/8 of 18.75% Barbara G. Young 1/8 of 18.75% Gary N. Joiner 1/8 of 18.75% Joy N. Joiner 1/8 of 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Company 77.500000% Spiral, Inc. 7.500000% Yates Energy Corp. 7.500000% Explorers Petroleum Corporation 7.500000%
6	Sec. 32: W/2 SE/4 (5.0 Net)	80.0	12-13-84	Louella Spurrier 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Company 77.500000% Spiral, Inc. 7.500000% Yates Energy Corp. 7.500000% Explorers Petroleum Corporation 7.500000%

EXHIBIT "A-1"

RICHARDSON UNIT
LEA COUNTY, NEW MEXICO

Page 4

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
7	Sec. 32: E/2 SE/4	80.0 (1.187 Net)	7-2-84	Opal M. Storkman 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Company Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 7.500000%
7	Sec. 32: E/2 SE/4	80.0 (5.926 Net)	7-2-84	Thelma Meroney 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum Inc. .75% R. C. Smith .25%	Harvey E. Yates Company Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 7.500000%
7	Sec. 32: E/2 SE/4	80.0 (1.187 Net)	1-10-85	Neoma Blanche Meroney 1/2 of 18.75% Lloyd Cecil Meroney 1/2 of 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum Inc. .75% R. C. Smith .25%	Harvey E. Yates Company Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 7.500000%
7	Sec. 32: E/2 SE/4	80.0 (2.963 Net)		F. L. Heidel	Unleased		
7	Sec. 32: E/2 SE/4	80.0 (2.963 Net)		A. M. Swarthout	Unleased		

EXHIBIT "A-1"
RICHARDSON UNIT
LEA COUNTY, NEW MEXICO

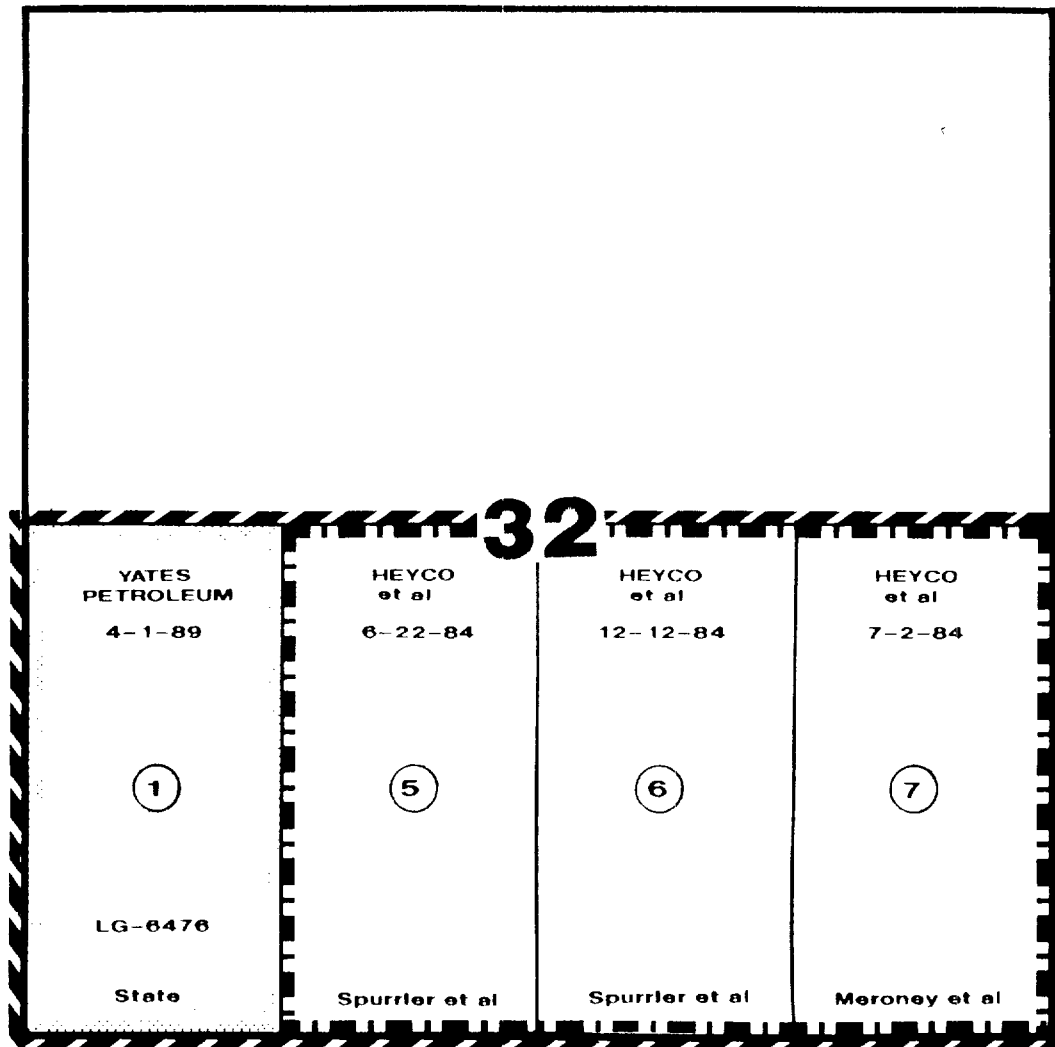
Page 5

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
7	Sec. 32: E/2 SE/4 (1.187 Net)	80.0	8-15-84	Edgar Meroney 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Company Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 77.500000% 7.500000% 7.500000% 7.500000%
7	Sec. 32: E/2 SE/4 (63.40 Net)	80.0	1-9-85	Effie C. Wilson 1/2 of 18.75% Ann Meroney Robinson 1/2 of 18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Company Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 77.500000% 7.500000% 7.500000% 7.500000%
7	Sec. 32: E/2 SE/4 (1.187 Net)	80.0	5-29-85	Pauline Meroney Burnett-18.75%	Harvey E. Yates Company 100%	W. T. Wynn Corbett Petroleum, Inc. .75% R. C. Smith .25%	Harvey E. Yates Comapny Spiral, Inc. Yates Energy Corp. Explorers Petroleum Corporation 77.500000% 7.500000% 7.500000% 7.500000%

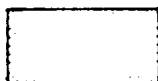
TOTAL PATENTED (FEE) LANDS: 240.0 acres - 75.00% of Unit Area

R - 36 - E

T
13
S



1/2 MILE



STATE ACREAGE - 80.0 acres, 25% of unit area.



FEE ACREAGE - 240.0 acres, 75% of unit area.



UNIT OUTLINE



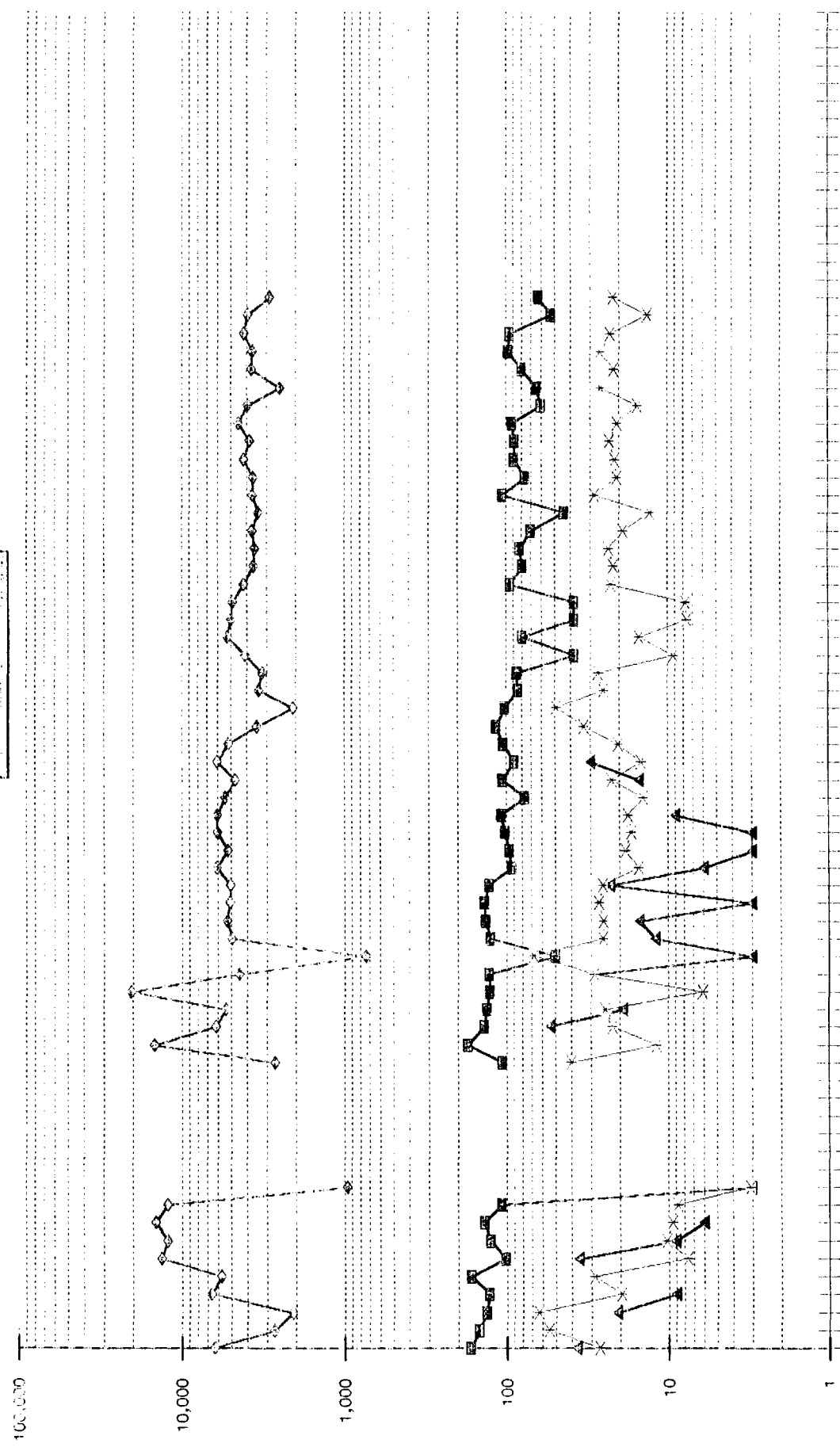
TRACT NUMBER

EXHIBIT "A"

HEYCO
RICHARDSON UNIT
LEA COUNTY, NEW MEXICO

RICHARDSON UNIT NO.1

AUSTIN MISSISSIPPIAN



3/21/90 1:56PM

PRODUCTION PLOT

FILE NAME: 74421-01-0
 WELL NAME: RICHARDSON UNIT NO.1
 FIELD: AUSTIN MISSISSIPPIAN
 CUMULATIVE PRODUCTION:

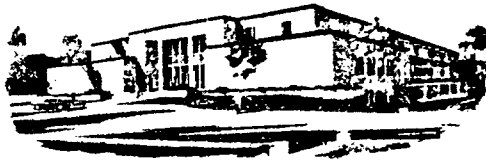
BO	MCF	BW	BO/MMCF
6,644	351,771	631	19

PRIOR CUMS.	BO	MCF	BW
1984	1,355	59,985	289

MO. / YR.	BO/MO.	MCF/MO.	BW/MO.	DAYS	BO/MMCF	OIL CUMS	GAS CUMS
1 Jan-85	167	6,293	37	25	27	1,522	66,278
2 Feb-85	148	2,712	0	21	55	1,670	68,990
3 Mar-85	133	2,097	21	24	63	1,803	71,087
4 Apr-85	129	6,586	9	30	20	1,932	77,673
5 May-85	165	5,737	0	31	29	2,097	83,410
6 Jun-85	102	13,377	36	30	8	2,199	96,787
7 Jul-85	126	12,270	9	31	10	2,325	109,057
8 Aug-85	137	14,479	6	31	9	2,462	123,536
9 Sep-85	108	12,319	0	29	9	2,570	135,855
10 Oct-85	3	965	0	1	3	2,573	136,820
11 Nov-85	0	0	0	0	0	2,573	136,820
12 Dec-85	0	0	0	0	0	2,573	136,820
13 Jan-86	0	0	0	0	0	2,573	136,820
14 Feb-86	0	0	0	0	0	2,573	136,820
15 Mar-86	0	0	0	0	0	2,573	136,820
16 Apr-86	0	0	0	0	0	2,573	136,820
17 May-86	107	2,682	0	9	40	2,680	139,502
18 Jun-86	174	14,803	0	30	12	2,854	154,305
19 Jul-86	137	6,219	54	31	22	2,991	160,524
20 Aug-86	132	5,383	19	31	25	3,123	166,907
21 Sep-86	127	20,627	0	30	6	3,250	186,534
22 Oct-86	128	4,470	29	29	29	3,378	191,004
23 Nov-86	50	736	3	11	68	3,428	191,740
24 Dec-86	126	4,953	12	31	25	3,554	196,693
25 Jan-87	134	5,292	15	31	25	3,688	201,985
26 Feb-87	137	5,069	3	27	27	3,825	207,054
27 Mar-87	128	5,036	23	29	25	3,953	212,090
28 Apr-87	93	6,146	6	30	15	4,046	218,236
29 May-87	96	5,221	3	31	18	4,142	223,457
30 Jun-87	102	6,077	3	30	17	4,244	229,534
31 Jul-87	108	6,098	9	31	18	4,352	235,632
32 Aug-87	77	5,433	0	31	14	4,429	241,065
33 Sep-87	106	4,730	15	30	22	4,535	245,795
34 Oct-87	89	6,058	30	30	15	4,624	251,853
35 Nov-87	105	5,163	0	30	20	4,729	257,016
36 Dec-87	115	3,477	0	25	33	4,844	260,493
37 Jan-88	102	2,073	0	31	49	4,946	262,566
38 Feb-88	84	3,363	0	29	25	5,030	265,929
39 Mar-88	86	3,211	0	25	27	5,116	269,140
40 Apr-88	38	4,098	0	25	9	5,154	273,238
41 May-88	80	5,290	0	31	15	5,234	278,528

42	Jun-88	38	4,985	0	30	8	5,272	283,513
43	Jul-88	38	4,924	0	30	8	5,310	288,437
44	Aug-88	94	4,171	0	31	23	5,404	292,608
45	Sep-88	79	3,646	0	30	22	5,483	296,254
46	Oct-88	82	3,549	0	30	23	5,565	299,803
47	Nov-88	70	3,715	0	28	19	5,635	303,518
48	Dec-88	44	3,413	0	30	13	5,679	306,931
49	Jan-89	106	3,717	0	26	29	5,785	310,648
50	Feb-89	76	3,673	0	28	21	5,861	314,321
51	Mar-89	89	4,181	0	31	21	5,950	318,502
52	Apr-89	88	3,827	0	30	23	6,038	322,329
53	May-89	92	4,488	0	31	20	6,130	326,817
54	Jun-89	61	3,965	0	30	15	6,191	330,782
55	Jul-89	65	2,507	0	31	26	6,256	333,289
56	Aug-89	80	3,738	0	31	21	6,336	337,027
57	Sep-89	97	3,694	0	30	26	6,433	340,721
58	Oct-89	95	4,176	0	31	23	6,528	344,897
59	Nov-89	53	3,967	0	30	13	6,581	348,864
60	Dec-89	63	2,907	0	25	22	6,644	351,771
61	Jan-90					0	6,644	351,771
62	Feb-90					0	6,644	351,771
63	Mar-90					0	6,644	351,771
64	Apr-90					0	6,644	351,771
65	May-90					0	6,644	351,771
66	Jun-90					0	6,644	351,771
67	Jul-90					0	6,644	351,771
68	Aug-90					0	6,644	351,771
69	Sep-90					0	6,644	351,771
70	Oct-90					0	6,644	351,771
71	Nov-90					0	6,644	351,771
72	Dec-90					0	6,644	351,771
73	Jan-91					0	6,644	351,771
74	Feb-91					0	6,644	351,771
75	Mar-91					0	6,644	351,771
76	Apr-91					0	6,644	351,771
77	May-91					0	6,644	351,771
78	Jun-91					0	6,644	351,771
79	Jul-91					0	6,644	351,771
80	Aug-91					0	6,644	351,771
81	Sep-91					0	6,644	351,771
82	Oct-91					0	6,644	351,771
83	Nov-91					0	6,644	351,771
84	Dec-91					0	6,644	351,771
85	Jan-92					0	6,644	351,771

State of New Mexico



7567

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

March 14, 1989

Harvey E. Yates Company
Attn: Mr. Larry L. Brooks
P. O. Box 1933
Roswell, New Mexico 88202-1933

Re: Richardson Unit Agreement
1989 Plan of Development
Lea County, New Mexico

Gentlemen:

This office is in receipt of your 1989 Plan of Development for the Richardson Unit Area dated February 15, 1989. We regret to inform you that this Plan of Development can not be approved as submitted.

Section 9, of the above captioned unit agreement states that "notwithstanding any of the provisions of this agreement to the contrary, all undeveloped regular well spacing or proration unit tracts within the unit boundaries embracing lands of the State of New Mexico shall be automatically eliminated from this Agreement and shall no longer be a part of the unit or be further subject to the terms of this Agreement unless at the expiration of five years (5) after the first day of the month following the effective date of this Agreement diligent drilling operations are in progress on said tracts."

The Richardson Unit Agreement was approved effective as of June 7, 1982. Our records do not reflect any type of operations in progress within the unit area on or before June 7, 1987. In view of the above, you are requested to submit a revised Exhibit "A" and "B" schedule to this office reflecting the automatic elimination as per Section 1 of the Unit Agreement. Your 1989 Plan of Development should also mention the status of the unit area.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

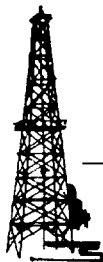
W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

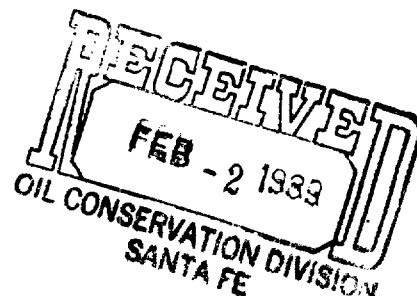
ONE SUNWEST CENTRE

505 / 623-6601

FAX 505 / 622-4221

ROSWELL, NEW MEXICO 88202-1933

January 25, 1989



~~Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501-1148~~

~~Attention: Director, Oil & Gas Division~~

Re: 1989 Plan of Development & Operation
Richardson Unit
Lea County, New Mexico

Gentlemen:

The Richardson Unit covers the following lands in Lea County,
New Mexico:

T-13S, R-36E, N.M.P.M.

T-14S, R-36E, N.M.P.M.

Section 31: S/2

Section 6: All

Section 32: S/2

In accordance with Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1989 Plan of Development and Operation.

Continuing low gas prices and the lack of a market continues to prohibit development of the deep gas potential. However, we see this dilemma changing in the future, hopefully by year end.

Some current developments in research may prove beneficial to the State in the long run. HEYCO and Sandia National Laboratories have entered into a joint research study program to evaluate the Austin-Mississippian play within the Unit; to do some sophisticated high-tech studies on the formation in some Unit well bores; and to catalog the results. This endeavor is currently in the negotiation phase and research could begin by the middle of 1989.

January 25, 1989
Commissioner of Public Lands
Richardson Unit

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The current economics of oil and gas have forced HEYCO to postpone and active development program. In lieu of this, HEYCO has taken on an active research program hoping to evaluate this play more thoroughly and effectively.

Attached are two BFIT Economic Evaluation and Payout schedules along with two AFE's illustrating the economics of drilling (1) a Wolfcamp (Bough) oil well and/or (2) a Mississippian gas well in the current market. Things have not changed much since last year, revenue-wise or costwise.

It is our sincere hope that the present market conditions will dissipate so we can actively resume exploration and development, to provide a significant royalty increase to the State of New Mexico.

Respectfully submitted,



Larry Brooks
Exploration/Development Geologist

LB/dlm
Attachments

rich89pd/LL

✓ xc: Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

January 25, 1989
Commissioner of Public Lands
Richardson Unit

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RICHARDSON UNIT - PRODUCTION FOR 1988

835 BO

47.772 MMCFG

RICHARDSON UNIT - CUMULATIVE PRODUCTION

5679 BO

308.865 MMCFG

HARVEY E. YATES COMPANY

LEASE NAME & WELL NUMBER: RICHARDSON UNIT #1

ACCT NO.

LEGAL LOCATION: SEC.32 T-13S R-36E

COUNTY: LEA

DEPTH: 10400

FORMATION: BOUGH

AFE TYPE: (1) DEV (2) EXP (3) WO /RE-ENTRY (4) OTHERS =

1

DRILLING & COMPLETION COSTS:

9200	INTANGIBLE DRILLING COSTS:			DRY HOLE COSTS	PRODUCING WELL COSTS
9210	STAKING DAMGES & LEGAL FEES-----			\$5,000	\$5,000
9211	LOCATION,RIGHT OF WAY-----			\$15,000	\$15,000
9212	FOOTAGE: FEET @ \$/FOOT 10400 \$12.50 -----			\$130,000	\$130,000
9213	DAYWORK: DAYS & \$/DAY 3 \$4,000 -----			\$12,000	\$12,000
9214	SURFACE CASING CEMENTING & SERVICE-----			\$4,500	\$4,500
9215	DRILLING MUD,ADDITIVES & WATER-----			\$25,000	\$25,000
9216	MUD LOGGING UNIT, SURVEYS ETC.-----			\$6,500	\$6,500
9217	INTERMEDIATE CASING CEMENTING & SERVICES-----			\$15,000	\$15,000
9218	GENERAL MISC. (BOP TEST,RATHOLE...ETC)-----			\$500	\$500
9220	RENTAL TOOLS & EQUIPMENT-----			\$500	\$500
9221	COMPANY SUPERVISION-----			\$5,000	\$5,000
9224	MISC. BITS, TOOLS & SUPPLIES-----			\$0	\$0
	TOTAL INTANGIBLE DRILLING COSTS-----			\$219,000	\$219,000

9230 INTANGIBLE FORMATION EVALUATION:

9231	CORING, TOOLS & SERVICE-----			\$0	\$0
9232	DST: \$ DST TO RUN/ \$ CHARGE 1 \$5,000 -----			\$5,000	\$5,000
9233	ELECTRIC LOGS, SAMPLE SACKS...ETC-----			\$14,000	\$14,000
9234	MISC. FORMATION EVAL.-----			\$0	\$0
	TOTAL INTANGIBLE FORMATION EVALUATION-----			\$19,000	\$19,000

9240 INTANGIBLE COMPLETION COSTS:

9241	COMPLETION UNIT COST: DAYS & \$/DAY 8 \$1,500 -----				\$12,000
9243	MUD, WATER & ADDITIVES-----				\$4,000
9244	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)-----				\$20,000
9245	ELECTRIC LOGS(CBL...ETC.),TESTING-----				\$5,000
9246	TOOL & EQUIPMENT RENTAL & TRUCKING-----				\$4,500
9247	STIMULATION & TREATING-----				\$15,000
9248	COMPANY SUPERVISION-----				\$5,000
9251	BITS, TOOLS & SUPPLIES-----				\$550
9252	PLUG BACK-----				\$5,000
9253	MISC. CONTINGENCIES-----				\$23,179
9500	PLUGGING EXPENSE-----			\$7,500	\$0
	TOTAL INTANGIBLE COMPLETION COSTS-----			\$7,500	\$94,229

9300 TANGIBLE DRILLING & COMPLETION COSTS:

9301	SURFACE CASING COSTS: (SIZE & FEET) 13 3/8 375 -----			\$11,000	\$11,000
9302	INTERMEDIATE CASING: (SIZE & FEET) 8 5/8 4600 -----			\$65,000	\$65,000
9303	PRODUCTION CASING: (SIZE & FEET) 5 1/2 10400 -----				\$90,000
9304	PRODUCTION TUBING: (SIZE & FEET) 2 3/8 10400 -----				\$32,500
9305	CASING HEAD-----				\$4,000
9306	CASING SPOOL-----				\$4,500
9307	TUBING HEAD-----				\$4,500
9308	CHRISTMAS TREE-----				\$5,000
9310	SUBSURFACE EQUIPMENT-----				\$17,500
9311	MISC PIPE CONNECTIONS-----				\$500
9312	PACKER & SPECIAL EQUIPMENT-----				\$1,500
9313	MISCELLANEOUS CONTINGENCIES-----			\$24,113	\$17,700
	TOTAL TANGIBLE DRILLING & COMPLETIONS COSTS-----			\$100,113	\$253,700

9400 GENERAL LEASE & BATTERY EQUIPMENT:

9401	PUMPING UNIT (PRIME MOVER)-----				\$45,000
9402	SEPARATORS, GAS PROD.UNITS,...ETC.-----				\$0,500
9405	TANKS: NO. & SIZE 2 300 BBLS-----				\$0,500
9410	INSTALLATION COSTS-----				\$15,000
9411	FLOW LINES, VALVES...ETC-----				\$3,500
9415	MISCELLANEOUS LEASE EQUIPMENT-----				\$1,000
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS-----			\$0	\$81,500

TOTAL INTANGIBLE COSTS:	\$245,500	\$332,229
TOTAL TANGIBLE COSTS:	\$100,113	\$253,700
TOTAL LEASE & BATTERY EQUIPMENT:	\$0	\$81,500

TOTAL COSTS:***** \$345,613 \$667,429

PREPARED BY: N.M. YOUNG

DATE: 4-11-88

APPROVED BY: _____

COMPANY: _____

DATE: _____

*IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE
ESTIKATED ONLY, AND APPROVAL OF THIS AUTHORIZATION SHALL
EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE
OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET
OUT*

* Current zone 1 can salvage zone in the Richardson well #1

Fee # 1, possibly in Richardson Unit #1.

HARVEY E. YATES COMPANY BFIT ECONOMIC EVALUATION AND PAYOUT

BY RATE F. HONES

RICHARDSON UNIT #1

NAME OF WELL: 1 1987

EVAL PERIOD MONTH: 12

CURRENT PRICING: \$18.50 / BBL

MAX OIL & GAS PRICE: \$40.00 / BBL

AVERAGE U.P. LOS: \$1.283 PER MONTH

CALC EUC: \$1.755 PER MONTH

WELL: 100.00%

1ST ESCALATION RATE: 2.00% IN 2ND & 3RD YR

2ND ESCALATION RATE: 4.00% THEREAFTER

INITIAL RATE: 40% / BOPD

CONS TO DATE: 0.00

PERFORMING RESERVES: 20,911,180

ULTIMATE RECOVERY: 20,911,180

RESERVE CLASS: WOLF CAMP / BROUGH

DISCOUNT RATE: 10%

LOE ESCALATION RATE: 4%

OPL & COMPLETION: \$741,812 #1

OIL SEVERANCE TAX: 0.067

GAS SEVERANCE TAX: 0.158168887

GROSS REV TO DATE: 30

1ST DECLINE: 9%

2ND DECLINE: 24%

3RD DECLINE: 15%

4TH DECLINE: 15%

FINAL DECLINE: 15%

PAYOUT OCCURS IN YRS =	0.00
LIFE OF WELL IN YEARS =	19
TOTAL NET REVENUE =	\$401,515.32
TOTAL WILDE & MC COSTS =	\$322,551.96
NET REVENUE - LOE & OAC =	\$152,006.63
TOTAL DISC NET REVENUE =	\$180,549.71
RATIO INR TO EXPENSES =	10.571 TO 1
AVERAGE IIR =	119.15
AVERAGE IIRCF =	\$0.20

recovers some invest. but never for pays out for all costs are stand alone zone.

XXXXXXXXXXXXXXXXXXXX

MONTHS	YEAR	OIL PROD (STB)	Avg RATE (BBL/DAY)	ENDING RATE (BBL/DAY)	QUM OIL (STB)	GAS PROD (MCF)	CUM GAS (MCF)	YEARLY LOE	YRS AVG IIRCF	IIR AVG NET REVENUE (MCF)	DISCOUNTED IIRCF	PAIDOUT MONTHS
1	1987	5,537	475	454	5,537	0	0	\$15,498	\$16.59	\$1.50	\$46,704	1563.230
2	1988	4,937	417	387	10,474	0	0	\$16,097	\$16.82	\$1.52	\$45,281	1542.031
3	1989	3,900	335	286	14,374	0	0	\$16,720	\$17.17	\$1.55	\$42,449	1510.820
4	1990	3,250	274	254	17,624	0	0	\$17,399	\$17.95	\$1.62	\$37,761	1384.831
5	1991	2,632	226	213	20,256	0	0	\$18,085	\$18.57	\$1.65	\$30,530	1127.45
6	1992	2,420	202	193	22,676	0	0	\$18,819	\$19.31	\$1.75	\$15,756	15,834
7	1993	2,035	173	162	24,711	0	0	\$19,572	\$20.02	\$1.83	\$11,377	15,537.168
8	1994	1,605	159	149	26,316	0	0	\$20,355	\$20.89	\$1.90	\$7,349	15,298.819
9	1995	1,554	130	130	27,870	0	0	\$21,168	\$21.72	\$1.97	\$3,630	15,538.189
10	1996	1,328	111	103	29,198	0	0	\$22,018	\$22.59	\$2.05	\$0	15,280.971
11	1997	1,151	86	89	30,349	0	0	\$22,896	\$23.43	\$2.14	\$1,051	15,539.030
12	1998	931	81	77	31,280	0	0	\$23,812	\$24.43	\$2.22	\$0	15,535.953

#2

RICHARDSON

PROPERTY NO. 1443-01-0

HARVEY E. YATES COMPANY

LEASE NAME & WELL NUMBER: RICHARDSON UNIT #1 ACCT NO.
 LEGAL LOCATION: SEC.32 T-13S R-36E
 COUNTY: LEA DEPTH: 13200 FORMATION: AUSTIN-MISSISSIPPI
 AFE TYPE: (1) DEV (2) EXP (3) WD /RE-ENTRY (4) OTHERS = 1

DRILLING & COMPLETION COSTS:					DRY HOLE COSTS	PRODUCING WELL COSTS
9200	INTANGIBLE DRILLING COSTS:					
9210	STAKING DAMGES & LEGAL FEES-----				\$5,000	\$5,000
9211	LOCATION,RIGHT OF WAY-----				\$25,000	\$25,000
9212	FOOTAGE: FEET @ \$/FOOT	13200	\$21.00	-----	\$277,200	\$277,200
9213	DAYWORK: DAYS & \$/DAY	5	\$4,500	-----	\$22,500	\$22,500
9214	SURFACE CASING CEMENTING & SERVICE-----				\$4,500	\$4,500
9215	DRILLING MUD,ADDITIVES & WATER-----				\$40,000	\$40,000
9216	MUD LOGGING UNIT, SURVEYS ETC.-----				\$8,700	\$8,700
9217	INTERMEDIATE CASING CEMENTING & SERVICES-----				\$15,000	\$15,000
9218	GENERAL MISC. (BOP TEST,RATHOLE...ETC)-----				\$2,000	\$2,000
9220	RENTAL TOOLS & EQUIPMENT-----				\$1,000	\$1,000
9221	COMPANY SUPERVISION-----				\$12,000	\$12,000
9224	MISC. BITS, TOOLS & SUPPLIES-----				\$500	\$500
	TOTAL INTANGIBLE DRILLING COSTS-----				\$413,400	\$413,400
=====						
9230	INTANGIBLE FORMATION EVALUATION:					
9231	CORING, TOOLS & SERVICE-----				\$0	\$0
9232	DST: \$ DST TO RUN/ \$ CHARGE	2	\$5,000	-----	\$10,000	\$10,000
9233	ELECTRIC LOGS, SAMPLE SACKS...ETC-----				\$20,000	\$20,000
9234	MISC. FORMATION EVAL.-----				\$0	\$0
	TOTAL INTANGIBLE FORMATION EVALUATION-----				\$30,000	\$30,000
=====						
9240	INTANGIBLE COMPLETION COSTS:					
9241	COMPLETION UNIT COST: DAYS & \$/DAY	15	\$1,500	-----		\$22,500
9243	MUD, WATER & ADDITIVES-----					\$7,500
9244	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)-----					\$30,000
9245	ELECTRIC LOGS(CBL...ETC.),TESTING-----					\$7,500
9246	TOOL & EQUIPMENT RENTAL & TRUCKING-----					\$7,000
9247	STIMULATION & TREATING-----					\$25,000
9248	COMPANY SUPERVISION-----					\$8,000
9251	BITS, TOOLS & SUPPLIES-----					\$500
9252	PLUG BACK-----					\$7,500
9253	MISC. CONTINGENCIES-----					\$27,945
9500	PLUGGING EXPENSE-----				\$12,500	\$0
	TOTAL INTANGIBLE COMPLETION COSTS-----				\$12,500	\$143,445
=====						
9300	TANGIBLE DRILLING & COMPLETION COSTS:					
9301	SURFACE CASING COSTS:(SIZE & FEET)	13 3/8	375	-----	\$11,000	\$11,000
9302	INTERMEDIATE CASING:(SIZE & FEET)	8 5/8	4600	-----	\$65,000	\$65,000
9303	PRODUCTION CASING:(SIZE & FEET)	5 1/2	13200	-----		\$140,000
9304	PRODUCTION TUBING:(SIZE & FEET)	2 3/8	13200	-----		\$45,000
9305	CASING HEAD-----					\$4,000
9306	CASING SPOOL-----					\$4,500
9307	TUBING HEAD-----					\$5,000
9308	CHRISTMAS TREE-----					\$5,000
9310	SUBSURFACE EQUIPMENT-----					\$0
9311	MISC PIPE CONNECTIONS-----					\$500
9312	PACKER & SPECIAL EQUIPMENT-----					\$2,750
9313	MISCELLANEOUS CONTINGENCIES-----				\$26,595	\$14,138
	TOTAL TANGIBLE DRILLING & COMPLETIONS COSTS-----				\$102,595	\$296,888
=====						
9400	GENERAL LEASE & BATTERY EQUIPMENT:					
9401	PUMPING UNIT (PRIME MOVER)-----					\$0
9402	SEPARATORS, GAS PROD.UNITS,...ETC.-----					\$10,000
9405	TANKS: NO. & SIZE	1	300 BBLs	-----		\$4,000
9410	INSTALLATION COSTS-----					\$3,500
9411	FLOW LINES, VALVES...ETC-----					\$1,500
9415	MISCELLANEOUS LEASE EQUIPMENT-----					\$1,000
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS-----				\$0	\$20,000
=====						
	TOTAL INTANGIBLE COSTS:				\$455,900	\$586,845
	TOTAL TANGIBLE COSTS:				\$102,595	\$296,888
	TOTAL LEASE & BATTERY EQUIPMENT:				\$0	\$20,000
=====						
TOTAL COSTS*****					\$558,495	\$903,733

PREPARED BY: N.M. YOUNG					DATE: 4-11-88	

PREPARED BY: N.M. YOUNG DATE: 4-11-88

APPROVED BY: _____

"IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY, AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET OUT"

COMPANY: _____

DATE: _____

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

ONE SUNWEST CENTRE

505/623-6601

FAX 505/622-4221

ROSWELL, NEW MEXICO 88202-1933

7567

May 16, 1988

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

Attention: Director, Oil & Gas Division

Re: Richardson Unit
1988 Plan of Development & Operation
Lea County, New Mexico

Gentlemen:

The Richardson Unit covers the following lands in Lea County, New Mexico:

T-13S, R-36E, N.M.P.M.

T-14S, R-36E, N.M.P.M.

Section 31: S/2

Section 6: All

Section 32: S/2

In accordance with Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1988 Plan of Development and Operation.

Low gas prices and the lack of a market continues to prohibit development of the deep gas potential. We were not sufficiently encouraged by results of the recompletion of the #3 Fee well to justify development of Permo-Penn oil potential in the unitized area. This fact, coupled with the continued low price of crude oil, has forced us to postpone any further development until the current situation is considerably improved.

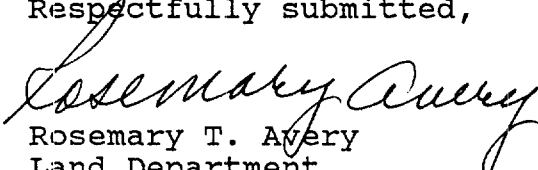
Attached are two BFIT Economic Evaluation and Payout schedules along with two AFE's illustrating the economics of drilling (1) a Wolfcamp (Bough) oil well and/or (2) a Mississippian gas well in the current market.

May 16, 1988
Commissioner of Public Lands
Re: Richardson Unit

Page 2

It is still our sincere hope that the present depressed state of our industry will improve sufficiently before the next anniversary date to allow us to resume exploration and development of this unit, and provide more royalty income to the State of New Mexico.

Respectfully submitted,


Rosemary T. Avery
Land Department

Attachments

RTA/RICH88PD/LL

✓ xc: Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

RICHUNIT
PROPERTY NO. 74421-01-0

HARVEY E. YATES COMPANY
BFT ECONOMIC EVALUATION AND PAYOUT

by PAY E. NOLDS

NAME OF WELL: RICHARDSON UNIT #1
EVAL PERIOD MONTH: 4 1988
CURRENT PRICING: \$16.50 /BO
MAX OIL & GAS PRICE: \$40.00 /BO
AVERAGE JIB, L.O.E.: \$792 PER MONTH
CALC. E.L.C.: \$1.072 PER MONTH
NPI: 100.00%
1ST ESCALATION RATE: 2.00% IN 2ND & 3RD YR
2ND ESCALATION RATE: 4.00% THEREAFTER
INITIAL RATE: 30.000 /MCF
CLIMS TO DATE: 0 MCF
REMAINING RESERVES: 1,176,553 /MCF
ULTIMATE RECOVERY: 1,176,553 /MCF

RESERVE CLASS: MISSISSIPPIAN
DISCOUNT RATE: 10%
L.O.E. ESCALATION RATE: 4%
OIL & COMPL. COST: \$303.733
OIL SEVERANCE TAX: 0.087
GAS SEVERANCE TAX: 0.087
GROSS REV. TO DATE: \$0
1ST DECLINE: 30%
2ND DECLINE: 30%
3RD DECLINE: 30%
4TH DECLINE: 30%
FINAL DECLINE: 30%

PAYOUT OCCURS IN YRS= 3.43
LIFE OF WELL IN YEARS= 14
TOTAL NET REVENUE= \$1,528,464.72
TOTAL WILDC & O&C COSTS= \$1,034,037.88
NET REVENUE (L.O.E. & O&C)= \$494,426.85
TOTAL DISC NET REVENUE= \$1,002,775.52
RATIO NPI TO EXPENSES= 0.48 TO 1

AVERAGE \$ / MCF= \$1.83
AVERAGE \$ / BO= \$20.81

NO. YRS	YEAR	GAS PROD (MCF)	AVG RATE (MCF/MO)	ENDING RATE (MCF/MO)	CUM. MCF (MCF)	OIL PROD (BO)	CUM. OIL (BO)	YEARLY L.O.E.	YRS AVG \$/BO	YRS AVG \$/MCF	NET REVENUE MINUS L.O.E. NET REVENUE	DISCOUNTED HF-BOC COST	PAYOUT PAYOUT IN
1	1988	241,271	25,608	23,935	241,271	1,683	1,683	\$7,114	\$16.50	\$1.50	\$279,172	\$253,738	\$25,434
2	1989	247,424	25,613	17,747	488,695	1,732	3,415	\$7,409	\$16.83	\$1.53	\$292,085	\$241,377	\$50,708
3	1990	183,286	15,275	13,147	641,981	1,283	4,698	\$7,205	\$17.17	\$1.56	\$318,588	\$184,228	\$134,360
4	1991	139,789	11,316	9,740	781,770	951	5,649	\$6,903	\$17.85	\$1.62	\$356,236	\$119,809	\$236,427
5	1992	106,535	8,383	7,215	888,305	704	6,353	\$5,334	\$18.57	\$1.69	\$375,933	\$75,332	\$300,601
6	1993	74,523	6,210	5,345	962,828	522	6,875	\$3,857	\$19.31	\$1.76	\$394,825	\$53,526	\$341,299
7	1994	55,203	4,601	3,560	1,018,031	326	7,201	\$3,014	\$20.08	\$1.82	\$407,722	\$35,291	\$372,431
8	1995	40,633	3,408	2,324	1,058,664	236	7,437	\$3,314	\$20.63	\$1.90	\$420,056	\$24,285	\$395,771
9	1996	30,293	2,525	2,173	1,088,957	212	7,649	\$3,749	\$21.72	\$1.97	\$437,581	\$15,938	\$421,643
10	1997	22,446	1,870	1,510	1,111,403	157	7,806	\$4,129	\$22.68	\$2.05	\$459,327	\$10,150	\$449,177
11	1998	16,628	1,386	1,193	1,128,031	116	7,922	\$4,564	\$23.49	\$2.14	\$477,550	\$6,151	\$471,400
12	1999	12,319	1,027	884	1,140,350	86	8,008	\$5,055	\$24.43	\$2.22	\$498,169	\$3,402	\$494,767
13	2000	9,125	750	653	1,149,475	64	8,072	\$5,405	\$25.41	\$2.31	\$517,272	\$1,527	\$515,745
14	2001	6,251	563	458	1,155,726	47	8,119	\$5,851	\$26.43	\$2.40	\$538,898	\$760	\$538,138
15	2002	5,093	417	359	1,160,819	36	8,155	\$6,297	\$27.48	\$2.50	\$561,422	\$363	\$558,059
16	2003	3,710	308	256	1,164,529	26	8,181	\$6,743	\$28.58	\$2.60	\$584,946	\$1,332	\$583,614
17	2004	2,743	229	193	1,167,272	19	8,199	\$7,189	\$29.73	\$2.70	\$609,469	\$571	\$608,898
18	2005	2,036	170	146	1,169,308	14	8,213	\$7,635	\$30.92	\$2.81	\$635,992	\$318	\$635,674
19	2006	1,508	126	106	1,170,816	11	8,224	\$8,081	\$32.15	\$2.92	\$663,515	\$1,789	\$661,726
20	2007	1,118	92	80	1,171,934	8	8,232	\$8,527	\$33.44	\$3.04	\$692,038	\$1,291	\$690,747
21	2008	826	63	53	1,173,060	6	8,238	\$8,973	\$34.78	\$3.16	\$721,561	\$829	\$720,732
22	2009	613	51	44	1,174,173	4	8,242	\$9,419	\$36.17	\$3.29	\$752,084	\$535	\$751,549
23	2010	454	38	33	1,175,287	3	8,245	\$9,865	\$37.61	\$3.42	\$783,607	\$461	\$783,146
24	2011	337	28	24	1,176,391	2	8,247	\$10,311	\$39.12	\$3.56	\$816,129	\$368	\$815,761
25	2012	249	21	18	1,177,495	2	8,249	\$10,757	\$40.60	\$3.70	\$850,652	\$279	\$849,373

60% of 100%
If No Market
restrictions

months

#5

9.75

HARVEY E. YATES COMPANY

LEASE NAME & WELL NUMBER: RICHARDSON UNIT #1
 LEGAL LOCATION: SEC.32 T-13S R-36E
 COUNTY: LEA DEPTH: 13200
 AFE TYPE: (1) DEV (2) EXP (3) WD /RE-ENTRY (4) OTHERS =

ACCT NO.
 FORMATION: AUSTIN-MISSISSIPPI

DRILLING & COMPLETION COSTS:					DRY HOLE COSTS	PRODUCING WELL COSTS
9200	INTANGIBLE DRILLING COSTS:					
9210	STAKING DAMGES & LEGAL FEES-----				\$5,000	\$5,000
9211	LOCATION,RIGHT OF WAY-----				\$25,000	\$25,000
9212	FOOTAGE: FEET @ \$/FOOT	13200	\$21.00	-----	\$277,200	\$277,200
9213	DAYWORK: DAYS & \$/DAY	5	\$4,500	-----	\$22,500	\$22,500
9214	SURFACE CASING CEMENTING & SERVICE-----				\$4,500	\$4,500
9215	DRILLING MUD,ADDITIVES & WATER-----				\$40,000	\$40,000
9216	MUD LOGGING UNIT, SURVEYS ETC.-----				\$8,700	\$8,700
9217	INTERMEDIATE CASING CEMENTING & SERVICES-----				\$15,000	\$15,000
9218	GENERAL MISC. (BOP TEST,RATHOLE...ETC)-----				\$2,000	\$2,000
9220	RENTAL TOOLS & EQUIPMENT-----				\$1,000	\$1,000
9221	COMPANY SUPERVISION-----				\$12,000	\$12,000
9224	MISC. BITS, TOOLS & SUPPLIES-----				\$500	\$500
	TOTAL INTANGIBLE DRILLING COSTS-----				\$413,400	\$413,400
=====						
9230	INTANGIBLE FORMATION EVALUATION:					
9231	CORING, TOOLS & SERVICE-----				\$0	\$0
9232	DST: # DST TO RUN/ \$ CHARGE	2	\$5,000	-----	\$10,000	\$10,000
9233	ELECTRIC LOGS, SAMPLE SACKS...ETC-----				\$20,000	\$20,000
9234	MISC. FORMATION EVAL.-----				\$0	\$0
	TOTAL INTANGIBLE FORMATION EVALUATION-----				\$30,000	\$30,000
=====						
9240	INTANGIBLE COMPLETION COSTS:					
9241	COMPLETION UNIT COST: DAYS & \$/DAY	15	\$1,500	-----		\$22,500
9243	MUD, WATER & ADDITIVES-----					\$7,500
9244	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)-----					\$30,000
9245	ELECTRIC LOGS(CBL...ETC.),TESTING-----					\$7,500
9246	TOOL & EQUIPMENT RENTAL & TRUCKING-----					\$7,000
9247	STIMULATION & TREATING-----					\$25,000
9248	COMPANY SUPERVISION-----					\$8,000
9251	BITS, TOOLS & SUPPLIES-----					\$500
9252	PLUG BACK-----					\$7,500
9253	MISC. CONTINGENCIES-----					\$27,945
9500	PLUGGING EXPENSE-----				\$12,500	\$0
	TOTAL INTANGIBLE COMPLETION COSTS-----				\$12,500	\$143,445
=====						
9300	TANGIBLE DRILLING & COMPLETION COSTS:					
9301	SURFACE CASING COSTS:(SIZE & FEET)	13 3/8	375	-----	\$11,000	\$11,000
9302	INTERMEDIATE CASING:(SIZE & FEET)	8 5/8	4600	-----	\$65,000	\$65,000
9303	PRODUCTION CASING:(SIZE & FEET)	5 1/2	13200	-----		\$140,000
9304	PRODUCTION TUBING:(SIZE & FEET)	2 3/8	13200	-----		\$45,000
9305	CASING HEAD-----					\$4,000
9306	CASING SPOOL-----					\$4,500
9307	TUBING HEAD-----					\$5,000
9308	CHRISTMAS TREE-----					\$5,000
9310	SUBSURFACE EQUIPMENT-----					\$0
9311	MISC PIPE CONNECTIONS-----					\$500
9312	PACKER & SPECIAL EQUIPMENT-----					\$2,750
9313	MISCELLANEOUS CONTINGENCIES-----				\$26,595	\$14,138
	TOTAL TANGIBLE DRILLING & COMPLETIONS COSTS-----				\$102,595	\$296,888
=====						
9400	GENERAL LEASE & BATTERY EQUIPMENT:					
9401	PUMPING UNIT (PRIME MOVER)-----					\$0
9402	SEPARATORS, GAS PROD.UNITS,...ETC.-----					\$10,000
9405	TANKS: NO. & SIZE	1	300 BBLs	-----		\$4,000
9410	INSTALLATION COSTS-----					\$3,500
9411	FLOW LINES, VALVES...ETC-----					\$1,500
9415	MISCELLANEOUS LEASE EQUIPMENT-----					\$1,000
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS-----				\$0	\$20,000
=====						
	TOTAL INTANGIBLE COSTS:				\$455,900	\$586,845
	TOTAL TANGIBLE COSTS:				\$102,595	\$296,888
	TOTAL LEASE & BATTERY EQUIPMENT:				\$0	\$20,000
=====						
	TOTAL COSTS*****				\$558,495	\$903,733

PREPARED BY: N.M. YOUNG

DATE: 4-11-88

APPROVED BY: _____

"IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE ESTIMATED ONLY, AND APPROVAL OF THIS AUTHORIZATION SHALL EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET OUT"

COMPANY: _____

DATE: _____

RICHMOND
PROPERTY NO. 1421-01-0

HARVEY E. YATES COMPANY
BFT ECONOMIC EVALUATION AND PAYOUT

by RAY F. HOKES

NAME OF WELL: RICHARDSON UNIT #1
EVAL PERIOD MONTH: 1 1987
CURRENT PRICING: \$18.50 /BBO
MAX. OIL & GAS PRICE: \$40.00 /BBO
AVERAGE JIB. L.O.E.: \$1.289 PER MONTH
CALC. EUC: \$1.735 PER MONTH
WT: 100.00%
NGL: 30.45%
1ST ESCALATION RATE: 2.00% IN 2ND & 3RD YR
2ND ESCALATION RATE: 4.00% THEREAFTER
INITIAL RATE: 4.56 /BOPM
CUMS TO DATE: 0.60
REMAINING RESERVES: 29,911 BBO
ULTIMATE RECOVERY: 29,911 BBO

RESERVE CLASS: WOLFCAMP/BOUGH
DISCOUNT RATE: 10%
L.O.E. ESCALATION RATE: 4%
OIL & GAS COSTS: \$741.912 # /
OIL SEVERANCE TAX: 0.0087
GAS SEVERANCE TAX: 0.158169967
GROSS REVENUE DATE: \$0
1ST DECLINE: 9%
2ND DECLINE: 24%
3RD DECLINE: 19%
4TH DECLINE: 15%
FRIAL DECLINE: 15%

PAYOUT OCCURS IN YRS= 0.00
LIFE OF WELL IN YEARS= 10
TOTAL NET REVENUE= \$401,515.32
TOTAL W/LD & O&G COSTS= \$327,521.96
NET REVENUE - L.O.E. & O&G= \$73,993.36
TOTAL DISC NET REVENUE= \$180,549.71
RATIO NET TO EXPENSES= 10.51 TO 1

AVERAGE \$ /BBO= \$19.15
AVERAGE \$ /MCF= \$0.60

recovers some must pay out to stand no. zone.

MONTHS	YEAR	OIL PROD. (STB)	AVG RATE (BBL/STB)	ENDING RATE (BBL/STB)	CUM OIL (STB)	GAS PROD. (MCF)	CUM GAS (MCF)	YEARLY L.O.E.	YRS AVG \$/BBL	YRS AVG \$/MCF	NET REVENUE MINUS L.O.E.	DISCOUNTED NET REVENUE	PAYOUT MIP/O&G COST	PAYOUT IN MONTHS
1	1987	5,637	476	454	5,637	0	0	\$15,466	\$16.52	\$1.50	\$3,574	\$4,764	\$688,238	0.00
2	1988	4,939	413	357	10,576	0	0	\$16,087	\$16.82	\$1.52	\$4,206	\$7,381	\$643,031	0.00
3	1989	3,500	325	266	14,076	0	0	\$16,730	\$17.17	\$1.56	\$3,249	\$24,373	\$610,502	0.00
4	1990	2,290	224	254	17,366	0	0	\$17,299	\$17.85	\$1.62	\$2,751	\$17,592	\$584,831	0.00
5	1991	2,832	236	213	20,198	0	0	\$18,036	\$18.57	\$1.65	\$20,530	\$12,746	\$564,301	0.00
6	1992	2,439	203	132	22,637	0	0	\$18,819	\$19.21	\$1.76	\$15,756	\$8,294	\$548,543	0.00
7	1993	2,038	173	162	24,675	0	0	\$19,572	\$20.06	\$1.83	\$11,377	\$6,836	\$537,163	0.00
8	1994	1,896	150	140	26,571	0	0	\$20,385	\$20.89	\$1.89	\$7,349	\$3,478	\$529,819	0.00
9	1995	1,634	130	120	28,205	0	0	\$21,163	\$21.72	\$1.97	\$3,630	\$1,539	\$526,181	0.00
10	1996	1,338	111	103	29,543	0	0	\$22,016	\$22.59	\$2.05	\$192	\$70	\$526,097	0.00
11	1997	1,151	96	89	30,694	0	0	\$22,836	\$23.43	\$2.14	\$3,026	\$1,001	\$528,030	0.00
12	1998	938	82	77	31,632	0	0	\$23,812	\$24.43	\$2.22	\$18,929	\$1,920	\$528,061	0.00

Di / well

* it's #3
Paved zone has always zone in the Richards in Richards unit

#5 No on 100 for 100 bottom 11.1

HARVEY E. YATES COMPANY

LEASE NAME & WELL NUMBER: RICHARDSON UNIT #1

ACCT NO.

LEGAL LOCATION: SEC.32 T-13S R-36E

COUNTY: LEA

DEPTH: 10400

FORMATION: BOUGH

AFE TYPE: (1) DEV (2) EXP (3) WD /RE-ENTRY (4) OTHERS =

1

DRILLING & COMPLETION COSTS:

DRY HOLE COSTS PRODUCING WELL COSTS

9200 INTANGIBLE DRILLING COSTS:

9210	STAKING DAMGES & LEGAL FEES-----			\$5,000	\$5,000
9211	LOCATION,RIGHT OF WAY-----			\$15,000	\$15,000
9212	FOOTAGE: FEET @ \$/FOOT 10400 \$12.50 -----			\$130,000	\$130,000
9213	DAYWORK: DAYS & \$/DAY 3 \$4,000 -----			\$12,000	\$12,000
9214	SURFACE CASING CEMENTING & SERVICE-----			\$4,500	\$4,500
9215	DRILLING MUD,ADDITIVES & WATER-----			\$25,000	\$25,000
9216	MUD LOGGING UNIT, SURVEYS ETC.-----			\$6,500	\$6,500
9217	INTERMEDIATE CASING CEMENTING & SERVICES-----			\$15,000	\$15,000
9218	GENERAL MISC. (BOP TEST,RATHOLE...ETC)-----			\$500	\$500
9220	RENTAL TOOLS & EQUIPMENT-----			\$500	\$500
9221	COMPANY SUPERVISION-----			\$5,000	\$5,000
9224	MISC. BITS, TOOLS & SUPPLIES-----			\$0	\$0
	TOTAL INTANGIBLE DRILLING COSTS-----			\$219,000	\$219,000

9230 INTANGIBLE FORMATION EVALUATION:

9231	CORING, TOOLS & SERVICE-----			\$0	\$0
9232	DST: \$ DST TO RUN/ \$ CHARGE 1 \$5,000 -----			\$5,000	\$5,000
9233	ELECTRIC LOSS, SAMPLE SACKS...ETC-----			\$14,000	\$14,000
9234	MISC. FORMATION EVAL.-----			\$0	\$0
	TOTAL INTANGIBLE FORMATION EVALUATION-----			\$19,000	\$19,000

9240 INTANGIBLE COMPLETION COSTS:

9241	COMPLETION UNIT COST: DAYS & \$/DAY 8 \$1,500 -----				\$12,000
9243	MUD, WATER & ADDITIVES-----				\$4,000
9244	CEMENT, TOOLS & SERVICES (PROD.STRING...ETC)-----				\$20,000
9245	ELECTRIC LOGS(CBL...ETC.),TESTING-----				\$5,000
9246	TOOL & EQUIPMENT RENTAL & TRUCKING-----				\$4,500
9247	STIMULATION & TREATING-----				\$15,000
9248	COMPANY SUPERVISION-----				\$5,000
9251	BITS, TOOLS & SUPPLIES-----				\$550
9252	PLUG BACK-----				\$5,000
9253	MISC. CONTINGENCIES-----				\$23,179
9500	PLUGGING EXPENSE-----			\$7,500	\$0
	TOTAL INTANGIBLE COMPLETION COSTS-----			\$7,500	\$94,229

9300 TANGIBLE DRILLING & COMPLETION COSTS:

9301	SURFACE CASING COSTS:(SIZE & FEET) 13 3/8 375 -----			\$11,000	\$11,000
9302	INTERMEDIATE CASING:(SIZE & FEET) 8 5/8 4600 -----			\$65,000	\$65,000
9303	PRODUCTION CASING:(SIZE & FEET) 5 1/2 10400 -----				\$90,000
9304	PRODUCTION TUBING:(SIZE & FEET) 2 3/8 10400 -----				\$32,500
9305	CASING HEAD-----				\$4,000
9306	CASING SPOOL-----				\$4,500
9307	TUBING HEAD-----				\$4,500
9308	CHRISTMAS TREE-----				\$5,000
9310	SUBSURFACE EQUIPMENT-----				\$17,500
9311	MISC PIPE CONNECTIONS-----				\$500
9312	PACKER & SPECIAL EQUIPMENT-----				\$1,500
9313	MISCELLANEOUS CONTINGENCIES-----			\$24,113	\$17,700
	TOTAL TANGIBLE DRILLING & COMPLETIONS COSTS-----			\$100,113	\$253,700

9400 GENERAL LEASE & BATTERY EQUIPMENT:

9401	PUMPING UNIT (PRIME MOVER)-----				\$45,000
9402	SEPARATORS, GAS PROB.UNITS,...ETC.-----				\$0,500
9405	TANKS: NO. & SIZE 2 300 BBLS-----				\$8,500
9410	INSTALLATION COSTS-----				\$15,000
9411	FLOW LINES, VALVES...ETC-----				\$3,500
9415	MISCELLANEOUS LEASE EQUIPMENT-----				\$1,000
	TOTAL GENERAL LEASE & BATTERY EQUIPMENT COSTS-----			\$0	\$81,500

TOTAL INTANGIBLE COSTS:

\$245,500 \$332,229

TOTAL TANGIBLE COSTS:

\$100,113 \$253,700

TOTAL LEASE & BATTERY EQUIPMENT:

\$0 \$81,500

TOTAL COSTS***** \$345,613 \$667,429 *****

PREPARED BY: N.M. YOUNG

DATE: 4-11-88

APPROVED BY: _____

*IT IS RECOGNIZED THAT THE AMOUNTS PROVIDED FOR HEREIN ARE
ESTIMATED ONLY, AND APPROVAL OF THIS AUTHORIZATION SHALL
EXTEND TO THE ACTUAL COSTS INCURRED IN CONDUCTING THE
OPERATIONS SPECIFIED, WHETHER MORE OR LESS THAN HEREIN SET
OUT*

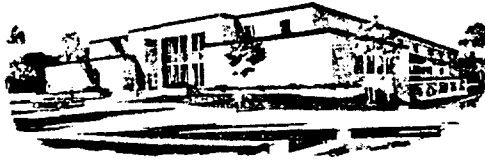
COMPANY: _____

DATE: _____

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO OG-798

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 6, 1988

Harvey E. Yates Company
Attn: Ms. Rosemary T. Avery
P. O. Box 1933
Roswell, New Mexico 88202-1933

Re: 1988 Plan of Development
Richardson Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD
BLM

7567

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P.O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

ROSWELL, NEW MEXICO 88201

July 1, 1987



Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

Attention: Pete Martinez - Units

Re: Richardson Unit
1987 Plan of Development & Operation
Lea County, New Mexico

Gentlemen:

The Richardson Unit covers the following lands in Lea County, New Mexico:

T-13S, R-36E, N.M.P.M.

T-14S, R-36E, N.M.P.M.

Section 31: S/2
Section 32: S/2

Section 6: All

In accordance with Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1987 Plan of Development and Operation.

This unit was approved on June 7, 1982. On November 10, 1982, the Richardson Unit #1 well, located 660' FSL & 660' FWL of Section 32 was completed as an Austin-Mississippian well, testing 2510 MCFG from perforations 13,360-14,405'. Owing to a lack of market, this well was not connected to a pipeline until May 1, 1984. Since November 1985 this well has been shut in because of a lack of market. For this reason we are not able to justify development of this producing formation based on current economics. We are still hoping to be able to continue development as soon as our natural gas market recovers from the current slump brought about by a deliverability surplus and by the increased competition from Canadian gas.

In addition to the well drilled under the Unit Agreement, there have been three wells drilled under the Unit Operating Agreement, which includes all of Section 5, as well as the lands covered by the Unit Agreement. Of these wells, the Richardson Fee #1, located in the NE/4 NW/4 of Section 5, is an Austin-Mississippian gas well, which is

July 1, 1987
Commissioner of Public Lands
Re: Richardson Unit

Page 2

also shut in for lack of a market. The second well, the Richardson Fee #3, located in the NW/4 NW/4 of Section 5, is an oil well producing from the Pennsylvanian (Bough "B") formation. The third well, the Richardson Fee #2, located in the NE/4 SW/4 of Section 5, has been converted to a salt water disposal well.

Attached as Exhibit "A" is a table showing the status of the unit well and the wells drilled under the Unit Operating Agreement, including production statistics and current rate of decline.

Low gas prices and the lack of a market continues to prohibit development of the deep gas potential, and results of the recompletion of the #3 Fee well were not sufficiently encouraging to justify development of the Permo-Penn oil potential in the unitized area. This fact, coupled with the continued low price of crude oil, has forced us to postpone any further development until the current situation is considerably improved.

It is our hope that the present depressed state of the oil and gas industry will improve sufficiently before the next anniversary date to allow us to resume exploration and development of this unit, and provide more royalty income to the State of New Mexico.

Respectfully submitted,



George M. Yates
President

RTA/dlm
Attachment

xc: ✓ Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Richardson Unit 1987 Plan of Development and Operation

Exhibit "A"

WELL	STATUS	LOE	1986 PRODUCTION	DAYS OF PRODUCTION	CURRENT DECLINE (APPROX.)
Richardson Fee #1 (Mississippian)	SI Due To Market	\$1064/mo.	13,007 MCF	69	-18% Calc. Exp. Decl. Not Able to Predict- Due to Mkt. Demand
Richardson Fee #3 (Recompleted to Bough in 2/85)	Pumping	\$2065/mo.	13,532 BO (New Zone)	360 (New Zone)	-86% Calc. Exp. Decl. Equals 7% for 1986
Richardson Unit #1	SI since 11/85 due to Market	\$669/mo. when sel- ling	59,873 MCF	202 (SI 10/85)	-33% Calc. Exp. Decl. Not Able to Predict- Due to Mkt. Demand
Richardson Fee #2 (Salt Water Disposal)			26,414 BW (Disposal-1986)		

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

ONE SUNWEST CENTRE

505 623 6601

ROSWELL, NEW MEXICO 88201

May 16, 1986

#7567

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501-1148

Re: Richardson Unit
1986 Plan of Development & Operation
Lea County, New Mexico

Gentlemen:

The Richardson Unit covers the following lands in Lea County, New Mexico:

T-13S, R-36E, N.M.P.M.

T-14S, R-36E, N.M.P.M.

Section 31: S/2
Section 32: S/2

Section 6: All

In accordance with Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1986 Plan of Development and Operation.

This unit was approved on June 7, 1982. On November 10, 1982, the Richardson Unit #1 well, located 660' FSL & 660' FWL of Section 32 was completed as an Austin-Mississippian well, testing 2510 MCFG from perforations 13,360-14,405'. Owing to a lack of market, this well was not connected to a pipeline until May 1, 1984. Since November 1985 this well has been shut in because of a lack of market. For this reason we are not able to justify development of this producing formation based on current economics. We still to hope to be able to continue development as soon as our natural gas market recovers from the current slump brought about by a deliverability surplus.

In addition to the well drilled under the Unit Agreement, there have been three wells drilled under the Unit Operating Agreement, which includes all of Section 5, as well as the lands covered by the Unit Agreement. Of these wells, the Richardson Fee #1, located in the NE/4 NW/4 of Section 5, is an Austin-Mississippian gas well, which is also shut in for lack of a market. The second well, the Richardson

May 16, 1986
Commissioner of Public Lands
Re: Richardson Unit

Page 2

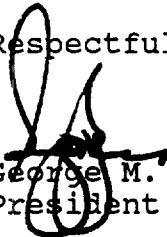
Fee #3, located in the NW/4 NW/4 of Section 5, is an oil well producing from the Pennsylvanian (Bough "B") formation. The third well, the Richardson Fee #2, located in the NE/4 SW/4 of Section 5, has been converted to a salt water disposal well.

Attached as Exhibit "A" is a table showing the status of the unit well and the wells drilled under the Unit Operating Agreement, including production statistics and current rate of decline.

Although we have not been able to justify development of the deep gas potential, we had hoped that information gained from recompletion of the #3 Fee well would enable us to justify exploration and development of the Permo-Penn oil potential in the unitized area. However, the results were not sufficiently encouraging and this fact, coupled with the precipitous drop in crude oil prices, has caused an indefinite postponement of this plan.

It is our hope that the present depressed state of the oil and gas industry will improve sufficiently before the next anniversary date to allow us to resume exploration and development of this unit, and provide more royalty income to the State of New Mexico.

Respectfully submitted,



George M. Yates
President

RTA/dlm
Attachment

✓ xc: Oil Conservation Division
New Mexico Energy and Minerals Department
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

Richardson Unit 1986 Plan of Development and Operation

Exhibit "A"

WELL	STATUS	LOE	1985 PRODUCTION	DAYS OF PRODUCTION	CURRENT DECLINE
Richardson Fee #1 (Mississippian)	SI Due To Market	\$1064/mo.	65,873 MCF	247	-18% Calc. Exp. Decl. Not Able to Predict- Due to Mkt. Demand
Richardson Fee #3 (Recompleted to Bough in 2/85)	Pumping	\$2065/mo.	10,915 BO (New Zone)	277 (New Zone)	-86% Calc. Exp. Decl. Equals 7% for 1986
Richardson Unit #1	SI since 11/85 due to Market	\$669/mo. when sel- ling	76,835 MCF	253 (SI 10/85)	-33% Calc. Exp. Decl. Not Able to Predict- Due to Mkt. Demand
Richardson Fee #2 (Salt Water Disposal)			114,158 BW (Disposal-1985)		



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

June 12, 1986

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Harvey E. Yates Company
One Sunwest Center
Roswell, New Mexico 88201

Attention: George M. Yates

Re: Richardson Unit
1986 Plan of Development & Operation
Lea County, New Mexico

Gentlemen:

The above-referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

ROY E. JOHNSON,
Senior Petroleum Geologist

REJ/dr

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque

State of New Mexico



Commissioner of Public Lands

JIM BACA
COMMISSIONER

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 25, 1986

Harvey E. Yates Company
ATTENTION: Mr. Ray F. Nokes
P. O. Box 1933
Roswell, New Mexico 88201

Re: Commercial Determination
Richardson Unit Well No. 1
Lea County, New Mexico

Gentlemen:

This office is in receipt of your letter dated June 20, 1986, together with all the economic and reservoir data which we requested on June 10, 1986.

According to the data submitted, the Commissioner of Public Lands concurs with your determination that the Richardson Unit Well No. 1 is a commercial well under the terms of the unit.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:

Floyd O. Prando
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm
cc: OCD-Santa Fe, New Mexico
George M. Yates

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

June 25, 1986

Harvey E. Yates Company
ATTENTION: Mr. George M. Yates
P. O. Box 1933
Roswell, New Mexico 88201

Re: 1986 Plan of Development
Richardson Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Plan of Development for the Richardson Unit Area, Lea County, New Mexico. Such plan calls for the drilling of no wells.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Frando*
FLOYD O. FRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm
encls.
cc: OCD-Santa Fe, New Mexico

State of New Mexico

#7567



JIM BACA
COMMISSIONER

Commissioner of Public Lands

July 31, 1985

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Richardson Unit
1985 Plan of Development & Operation
Lea County, New Mexico

ATTENTION: Mr. George M. Yates

Gentlemen:

The Commissioner of Public Lands has this date approved your 1985 Plan of Development and Operation for the Richardson Unit Area, Lea County, New Mexico. Such plan calls for evaluating the Unit area in an attempt to determine whether the boundary of the Permo-Penn Reservoir may extend into the lands covered by the Unit Agreement.

Enclosed is an approved copy for your files.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico

HEYCO

PETROLEUM PRODUCERS



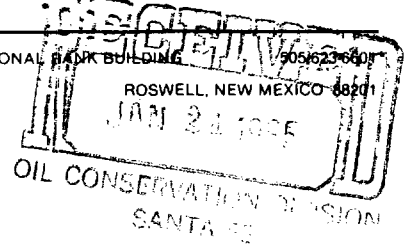
HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

ROSWELL, NEW MEXICO 88201

January 21, 1985



Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87501-1148

Re: Richardson Unit
1985 Plan of Development & Operation
Lea County, New Mexico

Gentlemen:

The Richardson Unit covers the following lands in Lea County, New Mexico:

T-13S, R-36E, N.M.P.M.

T-14S, R-36E, N.M.P.M.

Section 31: S/2

Section 6: All

Section 32: S/2

In accordance with Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1985 Plan of Development and Operation.

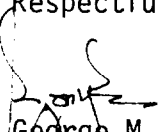
This unit was approved on June 7, 1982. On November 10, 1982, the Richardson Unit #1 well, located 660' FSL & 660' FWL of Section 32 was completed as an Austin-Mississippian well, testing 2510 MCFG from perforations 13,360-14,405'. Owing to a lack of market, this well was not connected to a pipeline until May 1, 1984. Production from this well has dropped off to an average of 247 MCF/D. Although the producing zone has been classified as a tight formation under the Natural Gas Pricing Act, the price we are currently receiving has been reduced from incentive price levels to \$2.68 per MMBTU. At this time, therefore, we are not able to justify development of this producing formation based on current economics. We hope, however, to be able to continue development as soon as our natural gas market recovers from the current slump brought about by a deliverability surplus.

In addition to the well drilled under the Unit Agreement, there have been three wells drilled under the Unit Operating Agreement, which includes all of Section 5, as well as the lands covered by the Unit Agreement. Of these wells, the Richardson Fee #1, located in the NE/4 NW/4 of Section 5, is a gas well producing from the Austin-Mississippian formation. The second well, the Richardson Fee #3, located in the NW/4 NW/4 of Section 5, is an oil well producing from the Pennsylvanian formation. The third well, the Richardson Fee #2, located in the NE/4 SW/4 of Section 5, has been converted to a salt water disposal well.

Commissioner of Public Lands
Richardson Unit-1985 Plan of Development
January 21, 1985
Page 2

Although we are unable to justify development of the deep gas potential at this time, we are currently evaluating the Richardson Unit in an attempt to determine whether the boundary of the Permo-Penn reservoir may extend into the lands covered by the Unit Agreement.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "George M. Yates", is written over a circular stamp or seal.

George M. Yates
President

RTA/dlm

xc: Oil Conservation Division
New Mexico Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

HEYCO

PETROLEUM PRODUCERS



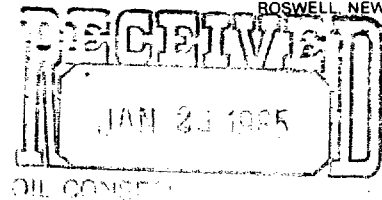
HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

January 22, 1985



Commissioner of Public Lands
P.O. Box 1148
Sante Fe, New Mexico 87501-1148

Re: Betenbough Unit
1985 Plan of Development
and Operation
Lea County, New Mexico

Gentlemen:

The Betenbough Unit covers the following lands in Lea County, New Mexico:

Township 13 South, Range 36 East, N.M.P.M.

Section 29: A11
Section 30: A11
Section 31: N/2
Section 32: N/2

In accordance with Section 9 of the Betenbough Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1985 Plan of Development.

This unit was approved on March 21, 1980. In June 1980, the Betenbough #1 well, located 660' FNL & 1980' FWL (surface location) was completed flowing an estimated 832 MCF/D plus 2 BOPD from the Atoka formation.

Along with our McDonald, Richardson and Duncan Units, all located in this same area of the Tatum Basin, the deep gas producing zones were classified as tight formations under the Natural Gas Pricing Act. Because of the current deliverability surplus, however, the price we are currently receiving for natural gas from the Betenbough Unit #1 has been reduced from incentive price levels to \$3.845 per MMBTU. For this reason, we have not been able to justify further development of this producing formation based on current economics, even though we are keenly aware that this Unit will reach its five-year anniversary date in March of this year.

Although we are unable to justify economically the development of the deep gas potential at this time, HEYCO's geological staff is continuing to evaluate this entire area, including the Betenbough Unit, for oil potential in the lower Permian and upper Pennsylvanian zones.

Respectfully submitted,


George M. Yates
President

RTA/dlm

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

January 21, 1985

#7567

Oil Conservation Division
New Mexico Energy and Minerals Department
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

Re: Richardson Unit
1985 Plan of Development & Operation
Lea County, New Mexico

Gentlemen:

The Richardson Unit covers the following lands in Lea County, New Mexico:

T-13S, R-36E, N.M.P.M.

T-14S, R-36E, N.M.P.M.

Section 31: S/2

Section 6: All

Section 32: S/2

In accordance with Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1985 Plan of Development and Operation.

This unit was approved on June 7, 1982. On November 10, 1982, the Richardson Unit #1 well, located 660' FSL & 660' FWL of Section 32 was completed as an Austin-Mississippian well, testing 2510 MCFG from perforations 13,360-14,405'. Owing to a lack of market, this well was not connected to a pipeline until May 1, 1984. Production from this well has dropped off to an average of 247 MCF/D. Although the producing zone has been classified as a tight formation under the Natural Gas Pricing Act, the price we are currently receiving has been reduced from incentive price levels to \$2.68 per MMBTU. At this time, therefore, we are not able to justify development of this producing formation based on current economics. We hope, however, to be able to continue development as soon as our natural gas market recovers from the current slump brought about by a deliverability surplus.

In addition to the well drilled under the Unit Agreement, there have been three wells drilled under the Unit Operating Agreement, which includes all of Section 5, as well as the lands covered by the Unit Agreement. Of these wells, the Richardson Fee #1, located in the NE/4 NW/4 of Section 5, is a gas well producing from the Austin-Mississippian formation. The second well, the Richardson Fee #3, located in the NW/4 NW/4 of Section 5, is an oil well producing from the Pennsylvanian formation. The third well, the Richardson Fee #2, located in the NE/4 SW/4 of Section 5, has been converted to a salt water disposal well.

Oil Conservation Division-New Mexico Energy and Minerals Department
Richardson Unit-1985 Plan of Development
January 21, 1985
Page 2

Although we are unable to justify development of the deep gas potential at this time, we are currently evaluating the Richardson Unit in an attempt to determine whether the boundary of the Permo-Penn reservoir may extend into the lands covered by the Unit Agreement.

Respectfully submitted,



George M. Yates
President

RTA/dlm

xc: Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87501-1148



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

December 6, 1982

HARVEY E. YATES CO.
P. O. Box 1933
Suite 300
Security National Bank Bldg.
Roswell, NM 88201

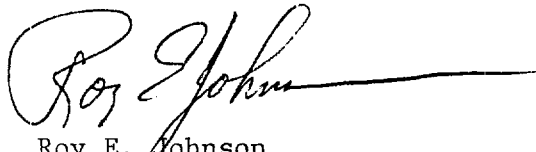
ATTENTION: Thomas J. Hall

RE: Richardson Unit
1983 Plan of Development
& Operation
Lea County, NM

Dear Mr. Hall:

The above referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the United States Minerals Management Service.

Sincerely,


Roy E. Johnson
Petroleum Geologist

REJ/dp

cc: Commissioner of Public Lands - Santa Fe
Minerals Management Service - Albuquerque
OCD District Office

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

SUITE 300, SECURITY NATIONAL BANK BUILDING

505/623-6601

ROSWELL, NEW MEXICO 88201

November 19, 1982

RECEIVED
NOV 23 1982

NOV 23 1982

Oil Conservation Division
SANTA FE

Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

RE: 1983 Plan of Development
and Operation
Richardson Unit
T-13S, R-36E, N.M.P.M.
Section 31: S/2
Section 32: S/2
T-14S, R-36E, N.M.P.M.
Section 6: All
Lea County, New Mexico

Gentlemen:

In accordance with Section 9 of the Richardson Unit Agreement, Harvey E. Yates Company, as Unit Operator, hereby submits its 1983 Plan of Development and Operation.

The unit was approved on June 7, 1982. On November 10, 1982, we completed the Richardson Unit #1 Well located 660' FWL and 660' FSL of Section 32. The well was completed in the Austin-Mississippian formation from 13360' - 13405' and tested 2510 MCF of gas.

Before January 1, 1983, we will have completed two additional wells adjacent to the unit in Section 5.

We plan to evaluate the geological information from all three wells before deciding on the location and the objective of additional unit wells.

Sincerely,

Thomas J. Hall, III
Attorney

TJH/jft

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

December 2, 1982

P. O. BOX 1148
SANTA FE, N. M. 87504-1148

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: 1983 Plan of Development and Operation
Richardson Unit Agreement
Lea County, New Mexico

ATTENTION: Mr. Thomas J. Hall, III

Gentlemen:

The Commissioner of Public Lands has this date approved your 1983 Plan of Development and Operation for the Richardson Unit, Lea County, New Mexico. Such plan proposes to evaluate the geological information from three wells before deciding on the location and the objective of additional unit wells.


Enclosed is an approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:


FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
Administration

0cA

Unit Name Richardson Unit - EXPLORATORY
Operator Harvey E. Yates Company
County Lea

		OCC CASE NO. 7567		EFFECTIVE DATE		TOTAL ACREAGE		STATE		FEDERAL		FEE		SEGREGATION CLAUSE		TERM	
DATE	APPROVED	OCC ORDER NO.	R-6981	DATE		ACREAGE											

COMMISSIONER: 6/7/82 COMMISSION: May 27, 1982 6/7/82 1,283.35 402.33 -0- 881.02 yes 2 year

UNIT AREA

TOWNSHIP 13 SOUTH, RANGE 36 EAST N. M. P. M.

Section 31: S/2 (Lots 3, 4, E/2SW/4, SE/4)
Section 32: S/2

TOWNSHIP 14 SOUTH, RANGE 36 EAST, N. M. P. M.

Section 6: ALL (Lots 1,2,3,4,5,6,7,SE/4NW/4,E/2SW/4,S/2NE/4,SE/4)

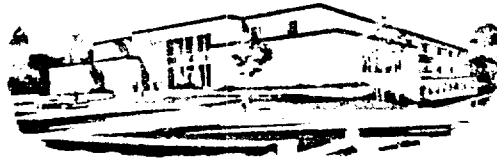
Unit Name RICHARDSON UNIT-EXPLORATORY
 Operator HARVEY E. YATES COMPANY
 County LEA

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
1	LG-5476	C.S.	32	13S	36E	W/2SW/4	11/15/81	80.00		Yates Petroleum Corporation
2	V-223	C.S.	6	14S	36E	Lots 3, 4, 5, 6, 7, SE/4NW/4, E/2SW/4	12/8/81	322.33		Harvey E. Yates Company

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

June 7, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: Richardson Unit
Lea County, New Mexico.

ATTENTION: Mr. Thomas J. Hall, III

Gentlemen:

The Commissioner of Public Lands has this date given final approval to the Richardson Unit Agreement, Lea County, New Mexico. The effective date of this unit is June 7, 1982 being the same date as approved.

Enclosed are Five (5) Certificates of Approval.

The filing fee in the amount of thirty (\$30.00) Dollars has been received.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico

7567

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

May 26, 1982

P. O. BOX 1148
SANTA FE, NEW MEXICO 87301
87504-1148

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Re: Proposed Richardson Unit
Lea County, New Mexico

ATTENTION: Mr. Thomas J. Hall III

Gentlemen:

Upon reviewing our records on the above captioned unit, we find that your first exploratory well being drilled on the SW/4SW/4 of Section 32, Township 13 South, Range 36 East should be named the Richardson Unit Well No. 1. This will show that this is your first well in the unit agreement.

Your change in well name dated March 31, 1982 on New Mexico Oil Conservation Division form C-103 shows that you have changed the name of the well to Richardson Unit Well No. 2. Since this is not the second exploratory well on the unit it will have to be changed as mentioned above.

Very Truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
cc:

OCD-Santa Fe, New Mexico
Administration

7567

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION