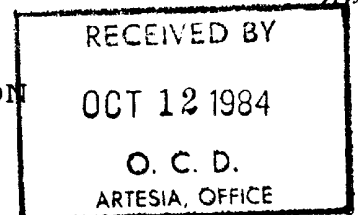


NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

AFFIDAVIT OF RESPONSIBILITY
CONVERSION TO WATER-WELL



STATE OF New Mexico)
County of Eddy) ss.

Cy Cowan, being first duly sworn according to law, upon his oath deposes and says:

1. That he is Regulatory Agent of Yates Petroleum Corporation
(Title) (Operator)
whose address is 207 S. 4th, Artesia, New Mexico 88210.
2. That Yates Petroleum is the operator of a well drilled on land be-
(Operator)
longing to Roadrunner Ranches, Inc., whose address is 201 N. Washington,
(Landowner)
Roswell, New Mexico, said well being drilled to test for hydrocarbons and/or
carbon dioxide gas and described as the Inexco "YP" St. No. 1, being located 660
feet from the South line and 660 feet from the East line of Section 12,
Township 1 South, Range 17 East, NMPM, County, New Mexico.

3. That said well was drilled to a total depth of 3990' feet, and that cas-
ing has been set and cemented as follows:

13 3/8" csg @420'; 8 5/8" csg @1553'; 5 1/2" csg @3990'

4. That operator and landowner have made an agreement whereby operator
(is) (~~is not~~) to back fill pits, level location, and clear it of all junk. The agreement
further provides that operator is to plug said well back to a plugged-back total depth of
420' feet and transfer well to landowner for his use as a water-well. Operator will
leave casing in the well as follows:

All casing will be left to a depth of 1650'.

5. That when operator has complied with the provisions of Paragraph 4 above
it will so notify the Oil Conservation Commission of the State of New Mexico on Com-
mission Form C-103, together with a signed statement from the landowner that the
provisions of Paragraph 4 above have been complied with to his satisfaction.

Yates Petroleum Corporation
(Operator)

By Cy Cowan
Subscribed and sworn to before me this 2nd day of July, A. D. 19 84.

Exp. Date: 1/25/86

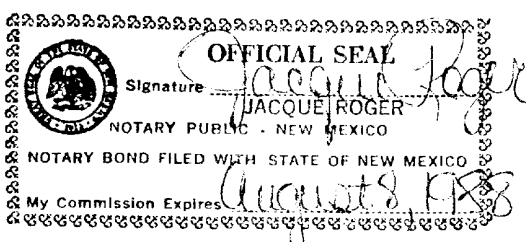
Rebecca L. Yellbourn
Notary Public in and for the County of Eddy

STATE OF NM)
County of CHAVES) ss.

Robert H. Bean for Roadrunner Ranch Inc., being first duly sworn according to law, upon
his oath deposes and says that when the provisions of Paragraphs 4 and 5 above have been
complied with, he will accept the above-described well for his use as a water-well, and
that he will assume all responsibility for the well, the location, and the conversion of the
well to a water-well.

Robert H. Bean for Roadrunner Ranch Inc.
(Landowner)

Subscribed and sworn to before me this 10 day of October, A. D. 19 84.



Jacques Roger
Notary Public in and for the County of Chaves

YATES PETROLEUM CORPORATION

Operator-Landowner Agreement

Well Name Inexco "YP" State #1
Section, Township, Range Sec. 12-T1S-R17E
Footage 660' FSL and 660' FEL
County, State Lincoln County, NM

Yates Petroleum has submitted an application to drill a well on surface patented to:

Owner (name) Roadrunner Farms & Ranches
Address 201 N. Washington
Town and State Roswell, New Mexico 88210

It is agreed that we will compensate monetarily for surface used to drill, complete and produce this well. The agreement is on the following:

Surface damages for location (includes production lines and tank battery pad)	\$ 1000.00
Surface damages for road easement	844 CC \$ 3000.00
TOTAL	844 CC \$ 4000.00

REMARKS: Payment for location and easement across surface on the Roadrunner Ranch to set two cattleguards, upgrade existing two-track road, and construct portions of new road needed to get to Yates Petroleum Corp. Inexco "YP" State #1 location. The 12' wide road will be watered and bladed with drainage on one side and turn-outs may be needed. In the event of a dry hole, roads will be left intact and cattleguards will be removed and fences will be repaired. Operator shall leave the surface casing in the well which may be abandoned on the leased land in conformity with requirements of law or regulations and shall cap the surface casing pursuant to such requirements in order that the surface owner, at his sole risk and expense at a future date reenter the hole for the purpose of converting same into a water well.

Accepted: Robert H. Bean Date 1/30/84
(Owner's Signature)

Accepted: Cy Cowan Date 1/30/84
(Yates Representative)