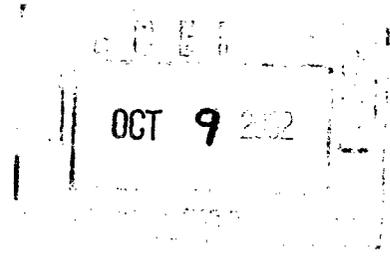


**Pecos River Operating, Inc.**  
**400 W. Illinois Suite 1070**  
**Midland, TX 79701**

VIA FEDEX  
10-08-02

Michael Stogner  
Oil Conservation Division  
1220 South St Francis Drive  
Santa Fe, NM 87505

*ms*



RE: Case No. 12937 – scheduled for Docket No 31-02, Oct-10-02  
Application of Pecos River Operating for approval of Unorthodox Gas Well  
Location for the Helen Collins No 7 well.  
Pecos Slope Abo Gas Pool  
Section 4, Twp 7-S, Rge 26-E, Chaves Co., New Mexico

Mr. Stogner,

Please find enclosed, for the record, a copy of the signed waiver of objection for all affected parties listed on the above referenced application dated August 21, 2002, except one; and an affidavit of notice to all parties.

I can be reached at 915, 620-8480, if you need any further information.

Yours truly,

A handwritten signature in black ink, appearing to read "William R. Huck". The signature is fluid and cursive.

William R. Huck  
VP – Engr & Prod.

AFFIDAVIT OF FACT

**State:** Texas  
**County:** Midland  
**Date:** October 8, 2002  
**Affiant:** Kirk Farquhar  
400 W. Illinois, Suite 1070  
Midland, Texas 79701

Affiant on oath swears that the following statements are true:

My name is Kirk Farquhar. I am over 21 years of age. I am Land Manager for Pecos River Operating, Inc. located in Midland, Texas.

On August 21, 2002, I mailed Waiver of Unorthodox Location Letters as it pertains to the drilling of the Helen Collins Federal No. 7, located 2,192' FSL & 1,651' FEL, Section 4, T-7-S, R-26-E, Chaves County, New Mexico to the following offset working interest owners:

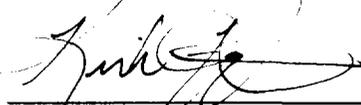
Yates Petroleum Corporation  
ABO Petroleum Corporation  
Yates Drilling Company  
MYCO Industries, Inc.  
105 South Fourth Street  
Artesia, NM 88210

Thornton Operating Corporation  
P. O. Box 833  
Midland, TX 79702

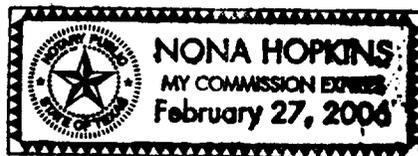
On September 11, 2002, I received an executed waiver letter from Yates Petroleum Corporation, ABO Petroleum Corporation, Yates Drilling Company and MYCO Industries, Inc.

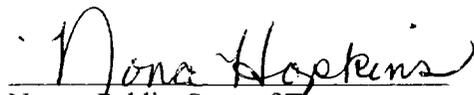
As of this date, I have not received an executed waiver letter from Thornton Operating Corporation. A second waiver letter was sent and faxed to Thornton Operating Corporation on September 27, 2002. In addition to the above, numerous phone messages requesting a waiver have been left on Thornton Operating Corporation's answering machine, including one left today. Thornton Operating Corporation has never returned the phone calls.

**Affiant**

  
\_\_\_\_\_  
**Kirk Farquhar**

SUBSCRIBED AND SWORN TO before me on October 8, 2002



  
\_\_\_\_\_  
Notary Public, State of Texas

**PECOS RIVER OPERATING, INC.**  
400 W. ILLINOIS, SUITE 1070  
MIDLAND, TEXAS 79701

Phone (915) 620-8480

Fax (915) 682-2197

August 22, 2002

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Re: Helen Collins Federal No. 7  
2192' FSL & 1651' FEL  
SE/4 Section 4, T- 7-S, R-26-E,  
Chaves Co., New Mexico

Pecos River Operating, Inc has made application to the New Mexico Oil Conservation Division for approval of an unorthodox location for the above referenced well in the Pecos Slope (Abo) Pool. The location has been moved from the original standard location, which fell in a ravine, to satisfy BLM requirements for surface interference. As a working interest owner in the NE/4 of Section 4, which offsets the subject proration unit, your waiver of objection to the proposed location is respectfully requested.

If you agree to this Waiver, please so indicate below and return one copy to me at the above address.

Yours very truly,

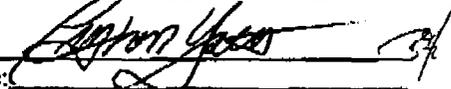
PECOS RIVER OPERATING, INC.



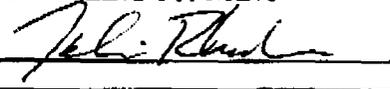
Kirk Farquhar  
Land Manager

YATES PETROLEUM CORPORATION has received Pecos River Operating, Inc's application for an unorthodox location for the Helen Collins No. 7, and hereby waives objection to the proposed location.

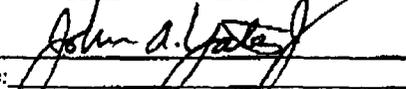
YATES PETROLEUM CORPORATION

By:   
Date: \_\_\_\_\_

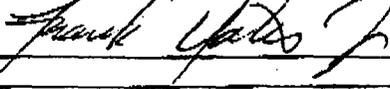
YATES DRILLING COMPANY

By:   
Date: \_\_\_\_\_

ABO PETROLEUM CORPORATION

By:   
Date: \_\_\_\_\_

MYCO INDUSTRIES, INC.

By:   
Date: \_\_\_\_\_