

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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TREASURER

December 5, 2002

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Attn: Michael Stogner

Re: Old Ranch Knoll 8 Fed Com #9
Section 8-T22S-R24E
Eddy County, New Mexico

Case 12989

Dear Sir:

Yates Petroleum Corporation et al hereby protests Devon's proposal to drill a vertical well at the unorthodox location of 810' FSL & 350' FEL in Section 8-T22S-R24E. Yates is the interest owner of the adjacent Section 9-T22S-R24E. Yates objects for two reasons:

- 1) All other wells in the Indian Basin Upper Penn Associated Pool are legally spaced.
- 2) Deviated wells are common in this area. Several operators, including Devon, have bottom hole locations deviated 2,000' or more from the surface location. Devon could easily deviate this well 310' west to the legal location.

The subject well is actually being permitted as a deviated well with a legal bottom hole location even though Devon hopes to drill vertically. It is not necessary for the well to produce 350' from Yates' lease line. In an effort to protect correlative rights, Yates objects to Devon's application.

I have attached for your convenience a copy of Devon's application for an unorthodox well location. Please call me at (505) 748-4257 if you have any questions.

Sincerely,

Sara Grijalva

Sara Grijalva
Manager of Non-Operated Properties

Copy:
Ken Gray
Bill Carr
Kathy Porter
Rob Bullock
John Humphrey
Dave Boneau
Gail Brown