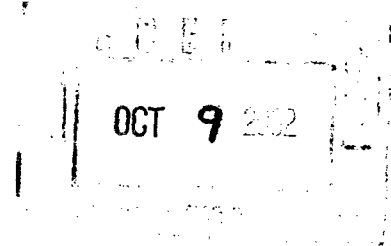


Pecos River Operating, Inc.
400 W. Illinois Suite 1070
Midland, TX 79701

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,

William R. Huck

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:

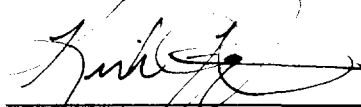
Yates Petroleum Corporation
ABO Petroleum Corporation
Yates Drilling Company
MYCO Industries, Inc.
105 South Fourth Street
Artesia, NM 88210

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.

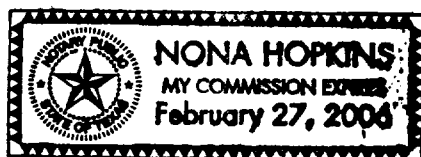
As of this date, I have not received an executed waiver letter from Thornton Operating Corporation. A second waiver letter was sent and faxed to Thornton Operating Corporation on September 27, 2002. In addition to the above, numerous phone messages requesting a waiver have been left on Thornton Operating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

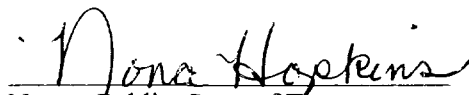
Affiant



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 88210Re: 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: _____

ABO PETROLEUM CORPORATION

By: 

Date: _____

YATES DRILLING COMPANY

By: 

Date: _____

MYCO INDUSTRIES, INC.

By: 

Date: _____