



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

November 24, 1993

Re: Notice of Intent to Protest
Yates Petroleum Corp.
Application for Authority to Inject
Yates' Aqueduct SWD #1

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

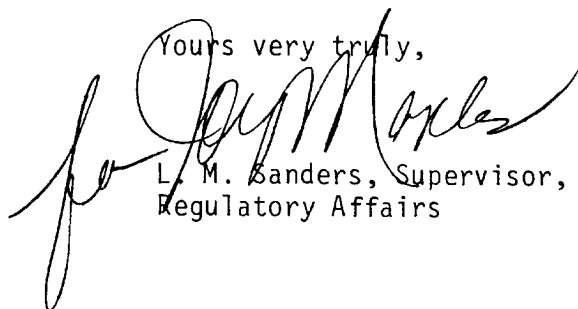
Gentlemen:

Please be advised that Phillips Petroleum Company objects to the granting of a water injection permit for the above mentioned well. This well is a direct offset of Phillips Petroleum Company's Lusk Deep Unit Well No. 17 and we believe that this well would be adversely affected by the injection of water into the proposed zone.

It is our understanding that Yates Petroleum Company will have to submit an amended application for water injection for this well as the legal advertisement incorrectly stated the injection interval.

Direct any questions regarding this notice of intent to protest to Pat Culpepper at (915) 368-1542 or Joy Maples at (915) 368-1667.

Yours very truly,



L. M. Sanders, Supervisor,
Regulatory Affairs