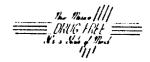


STATE OF NEW MEXICO



ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION AZTEC DISTRICT OFFICE

BRUCE KING GOVERNOR ANITA LOCKWOOD CABINET SECRETARY

1000 RIO BRAZOS ROAD AZTEC, NEW MEXICO 87410 (505) 334-6178

December 4, 1992

Mr. Robert Flesher Phillips Petroleum Company 5525 Highway 64 Farmington, NM 87401

RE: San Juan Unit 29-5 #10, L-16-29N-05W

Dear Mr. Flesher:

In light of the fact that the referenced well has had communication between the 10-3/4" surface casing and the 7-5/8" intermediate casing throughout it's history, remedial activity will not be required at this time, provided bradenhead tests are conducted annually and surface casing pressures are monitored regularly. Please make sure that copies of tests are forwarded to this office.

Yours Truly,

Charles Gholson

Deputy Oil and Gas Inspector

XC: Well File