



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

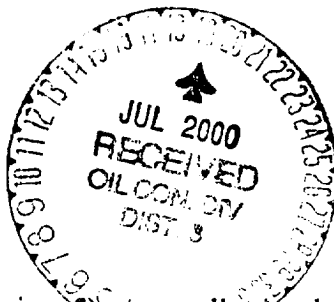
GARY E. JOHNSON

Governor
Jennifer A. Salisbury
Cabinet Secretary

July 17, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401
Attention: S. Scott Prather



Administrative Order NSP-1826

Dear Mr. Prather:

Reference is made to the following: (i) your application dated June 20, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Phillips Petroleum Company's ("Phillips") request for approval of a non-standard 233.88-acre gas spacing and proration unit consisting of the following acreage in the Basin-Dakota Pool:

RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 29 NORTH, RANGE 6 WEST, NMPM
Irregular Section 25: Lots 1 through 4 and the W/2 E/2.

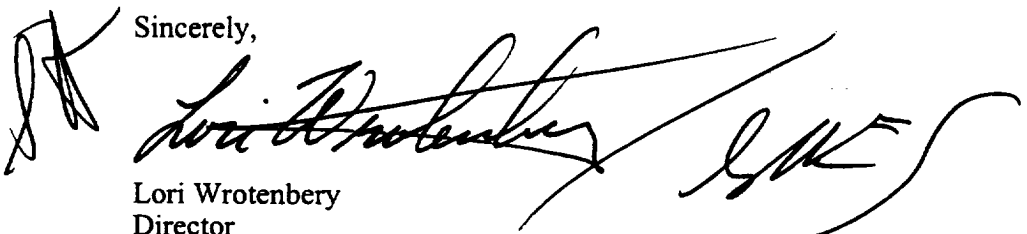
Gas production from this pool will continue to be dedicated to Phillips' existing: (i) San Juan "29-6" Unit Well No. 82 (API No. 30-039-20357), located a standard initial gas well location 1090 feet from the North line and 1138 feet from the East line (Unit B) of Section 25; and (ii) San Juan "29-6" Unit Well No. 82-M (API No. 30-039-26462), located an unorthodox infill gas well location (approved by Division Administrative Order NSL-4455, dated May 25, 2000) 10 feet from the South line and 1440 feet from the East line (Unit O) of Section 25.

This application has been duly filed under the provisions of Division Rules 605.B and 104.D (2).

By the authority granted me under the provisions of Division Rule 104.D (2) (b), the above-described 233.88-acre non-standard gas spacing and proration unit in the Basin-Dakota Pool is hereby approved.

Further, both of the aforementioned San Juan "29-6" Unit Wells No. 82 and 82-M and above-described 233.88-acre non-standard gas spacing unit will continue to be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington
File: NSL-4455