

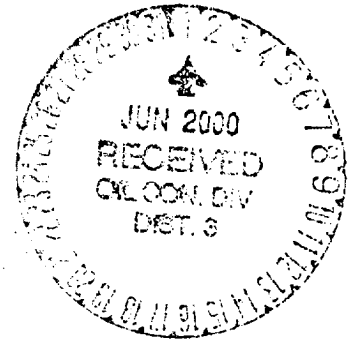


PHILLIPS PETROLEUM COMPANY
FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

Attn: Charley Perrin

May 17, 2000

22



Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. Michael E. Stogner
Chief Hearing Officer/Engineer

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX LOCATIONS
SAN JUAN 29-6 UNIT WELL #'s 76M, 77M, 82M, 93M, 95M, 99M
RIO ARRIBA COUNTY, NEW MEXICO

Dear Mr. Stogner:

In the latter part of March, I forwarded, by overnight delivery, the captioned applications. Each of these requests noted that optimal spacing for reservoir drainage purposes of the Mesaverde portion of these Mesaverde/Dakota wells was the primary reason for the location selection. With respect to the Mesaverde pool, these wells are located at orthodox locations, but the location is unorthodox for the Dakota formation.

Per conversations with Mr. Frank Chavez in the Aztec OCD office, we were advised that these applications are considered as being based on geological reasons and we would be required to furnish additional supportive data to you for review in considering these applications.

In view of this, please find enclosed, copies of a plat representing an elliptical drainage pattern for each of the above noted wells, which supports our choice of location with respect to the Mesaverde formation. We respectfully ask that you incorporate this information into your review of these applications.

If we can be of any further assistance in clarifying this matter, please do not hesitate to contact us.

Very truly yours,

S. Scott Prather, CPL
Senior Landman
San Juan Area
(505) 599-3410

*This agrees w/ topics presented
at the O&G conference in a talk by
Larry Tuckel from the NMBMR and
with workshop put on by Tuckel and
John Lorenz at D.O.P. Both on
Fracture control of drainage*

Sff

76M - E-23-29N-6W
77M - P-23-29N-6W
82M - O-25-29N-6W
93M - O-16-29-6W
95M - O-34-29-6W
99M - F-34-29-6W