



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

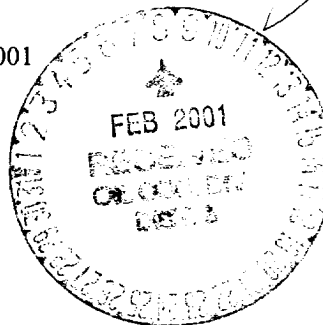
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

February 7, 2001



Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401
Attention: Jim Ball

Administrative Order NSL-4545

Dear Mr. Ball:

Reference is made to the following: (i) your application dated January 8, 2001; and (ii) the records of the New Mexico Oil Conservation Division in Aztec and Santa Fe: all concerning Phillips Petroleum Company's request for an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, issued in Case No. 12290 and dated June 30, 2000, for a non-standard infill gas well location within an existing standard 320-acre stand-up gas spacing and proration unit for the Basin-Dakota Pool comprising the W/2 of Section 30, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. This unit is currently dedicated to Phillips Petroleum Company's San Juan "29-5" Unit Well No. 58 (API No. 30-039-20459), located a standard initial gas well location 800 feet from the South line and 1500 feet from the West line (Unit N) of Section 30.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill gas well location in Section 30 is hereby approved:

San Juan "29-5" Unit Well No. 58-M

2452' FNL & 1527' FWL (Unit F) - 30-29N-5W

(API No. 30-039-26580)

Further, both of the aforementioned San Juan "29-5" Unit Well Nos. 58 and 58-M and existing gas spacing and proration unit will 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