



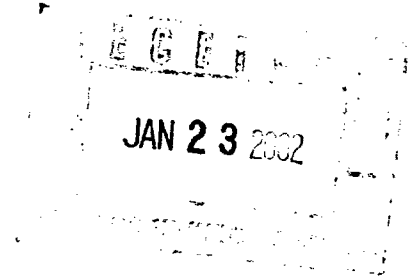
Law Offices of *James P. Lyle, P.C.*



Nationally Certified
Civil Trial Specialist

James P. Lyle, Esquire
Judith M. Seff, Paralegal

January 22, 2002



David Catanach, Examiner
New Mexico Oil Conservation Division
1220 South St Francis Dr.
Santa Fe, NM 87505

RE: *Division Case No. 12759 - Phillips Pipe Line Company*

Dear Mr. Catanach:

Please accept this letter as formal acknowledgment that the settlement with Phillips Pipe Line Company has been finalized. The McNeills are formally dismissing this case, based on the representations and promises received from and on behalf of Phillips that as the remediation work progresses, the McNeills will be compensated for all excavated materials at the rates set forth in the settlement agreement.

Very truly yours,

LAW OFFICES OF JAMES P. LYLE


James P. Lyle

cc: Gary Larson, Esq.
Mr. Bill McNeill