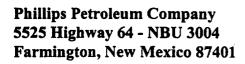
April 24, 2000



Attention:

S. Scott Prather



Administrative applications of Phillips Petroleum Company for exceptions to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota (Gas) Pool", as promulgated by Division Order No. R-10987, as amended, for the San Juan "29-6" Unit Wells No. 81-M, 85-M, 91-M, 94-M, 100-M, and 101-M and San Juan "30-5" Unit No. 48-M. \rightarrow I - 20-30N-5W

Dear Mr. Prather:

From conversations with the Aztec district office of the Division, it is my understanding that the above-described seven proposed locations are to be moved and re-staked at standard locations. Therefore, I am returning these applications to you at this time.

Thank you for your cooperation in this matter.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc:

New Mexico Oil Conservation Division - Aztec

Mr. Steve Salzman - U. S. Bureau of Land Management, Santa Fe

Mr. Neel McBride - U. S. Bureau of Land Management, Farmington

U. S. Forest Service - Bloomfield

Ms. Kathy Valdes, NMOCD - Santa Fe