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Attn: Charley Perrin

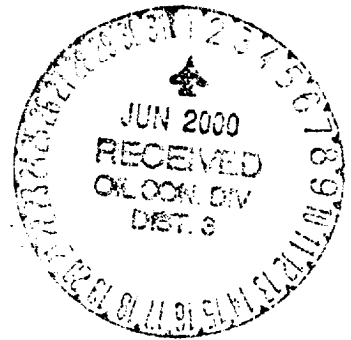


PHILLIPS PETROLEUM COMPANY

FARMINGTON, NEW MEXICO 87401
5525 HWY. 64 NBU 3004

May 17, 2000

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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.

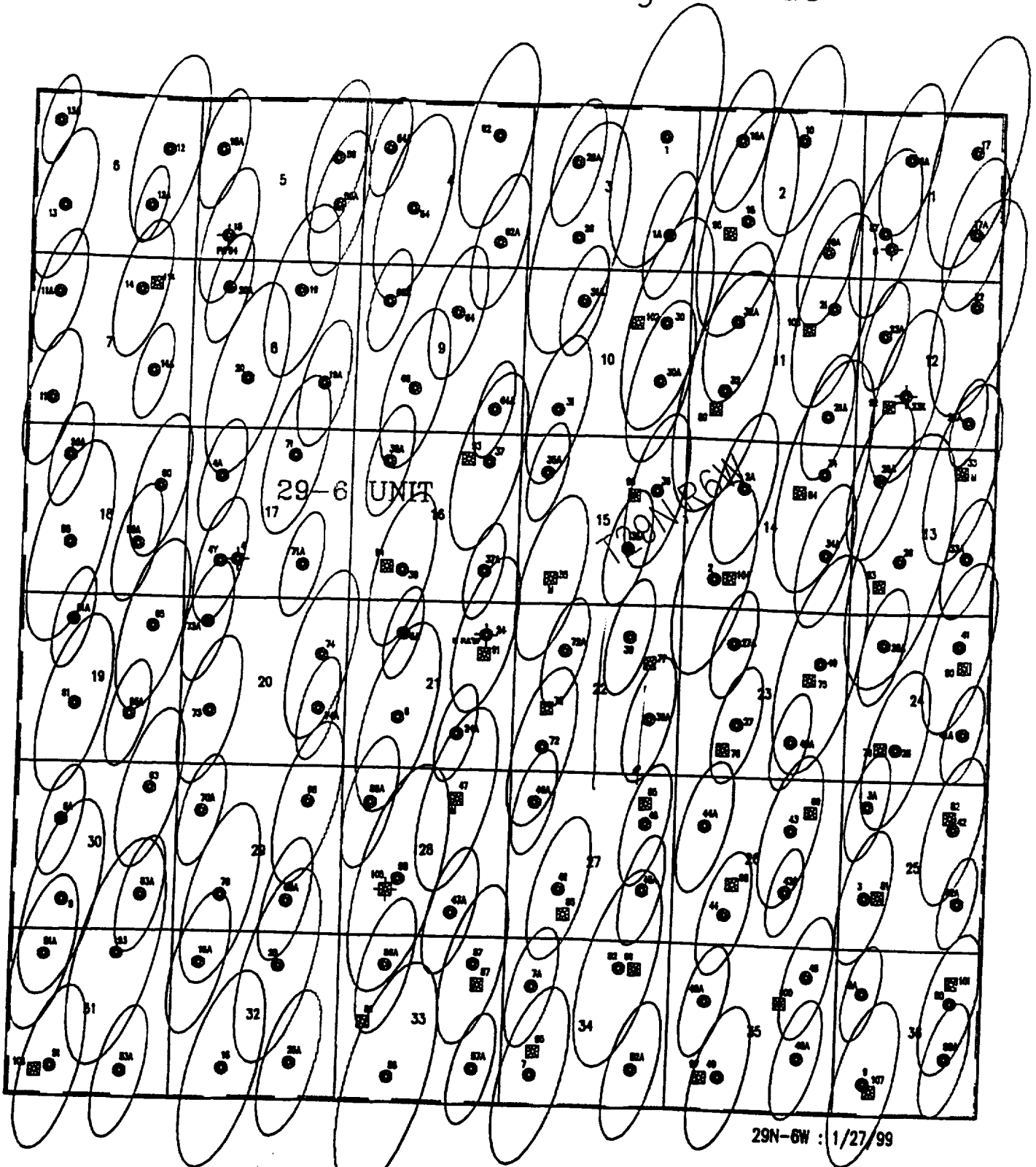
Very truly yours,

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

This agrees w/ topics presented at the O&G conference in a tal H. Larry Trefel from the NM BMMR and with workshop put on by Trefel and John Lorenz at D.O.P. Both on Fracture control of drainage

- 76M - E-23-29N-6W
- 77M - P-22-29N-6W
- 82M - O-25-29N-6W
- 93M - O-16-29-6W
- 95M - O-34-29-6W
- 99M - F-34-29-6W

San Juan 29-6 Unit Mesaverde - Drainage Areas



BURLINGTON RESOURCES

SAN JUAN DIVISION

April 17, 2000

As a working interest owner in the both San Juan 29-6 Unit Mesaverde and Dakota participating areas, Burlington Resources has provided Phillips Petroleum with the attached Mesaverde drainage map. Burlington is providing this map to support the selection of surface locations for new Mesaverde wells. The attached map reflects Burlington's interpretation of drainage area of existing Mesaverde wells. It is provided to Phillips to illustrate the optimal surface location that minimizes the drainage overlap from existing producers. This map is solely Burlington's estimates of both Mesaverde gas in place and ultimate reserve recovery and Phillips is not authorized to change or alter Burlington's conclusions.



Sean Woolverton
Sr. Reservoir Engineer