



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

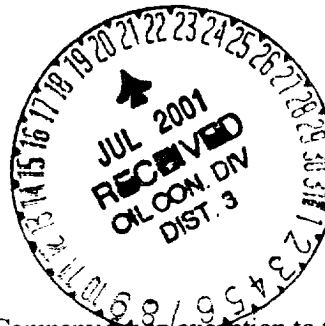
GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 17, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Phillips Petroleum Company
5525 Highway 64 - NBU 3004
Farmington, New Mexico 87401

Attention: **Jim Ball**



Re: Administrative applications of Phillips Petroleum Company 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, as amended for the: (i) San Juan "31-6" Unit Well No. 6-M to be drilled 1615 feet from the South line and 2490 feet from the West line (Unit K) of Section 1, Township 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, which was filed on June 21, 2001; and (ii) San Juan "29-5" Unit Well No. 54-M (API No. 30-039-26582) to be drilled 664 feet from the North line and 2543 feet from the West line (Unit C) of Section 31, Township 29 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, which was filed on July 6, 2001.

Dear Mr. Ball:

The Aztec district office of the Division and I have reviewed both applications, whereby both mentioned that "spacing of the Mesaverde infill to optimize drainage was considered"; however, no support data was included. In order to complete these filings please submit the necessary technical data to support this statement and indicate on a map how the drainage will occur from both wells.

Both applications as submitted are hereby deemed incomplete and cannot be processed at this time. Please submit the requested support data to both the Santa Fe and Aztec offices of the Division by Tuesday, July 24, 2001. Upon receipt of the requested information, the Division will continue to process your applications. This additional data can either be mailed or telefaxed to (505) 476-3471, Santa Fe and (505) 334-6170, Aztec. Please note if the necessary information is not submitted, your applications will be returned.

Should you have any questions concerning the support data needed to complete these filings, please contact the Aztec district office of the Division at (505) 334-6178.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec